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The Nation's Business

National Cabinet Vital to Push War

Mr. King's policy with French Canada has failed.

Now the only course open to the government is to go ahead immediately with plans for full mobilization of Canada's man power, All that matters is winning the war.

Mr. King should call to his side the best brains in Canada to create a national cabinet that will go all out on the war. Such men of ability and courage are not all in the Liberal party and they are not all in English-speaking Canada. There are French-speaking Canadians as willing to go all out, as ready for sacrifice, as any English-speaking person in Canada. They should come forward now and show to the world that French Canada does not consist merely of four million Cardins or Maxim Raymonds; that Villeneuve better expresses French Canada's Canadianism than does "Le Devoir." The country can well afford to spare the men of little faith, the narrow politicians who are ignorant of or refuse to see the peril in which Canada stands. It must substitute for them in a national cabinet, men with vision, understanding and courage.

Such a course The Financial Post has urged from the start of the war, has indeed incorporated it in the following permanent planks in its editorial platform for winning the war:

1. Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.
2. A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.

Mr. King, however, has persisted in the belief that a purely party government could best give us an all-out war effort with the plebiscite his final effort to continue that policy.

The present tragic impasse proves that there is no substitute in wartime for courageous, forthright leadership. Such leadership was at all times the only way to insure the national unity which Mr. King sought to achieve by political indirection.

Instead of conciliating Quebec the plebiscite has done the opposite. Forces opposed to a real war effort have been strengthened and given leadership. Those French-Canadian members of the government, who at a late hour came out in support of an affirmative vote, have been undermined.

Had Mr. King's great French lieutenant been spared a few months longer, the outcome might have been different. Ernest Lapointe, respected by French and English speaking alike, might have aroused Quebec to the seriousness of the present crisis. But after, his death last winter, Government war leadership in French Canada was allowed to go by default. In his plebiscite campaign Mr. King shied away from Quebec. He never made a personal appearance and appeal which was so urgently needed there. The "yes" campaign in Quebec was another case of "too little and too late."

The plebiscite has advertised our national split to the whole world. It has publicized our weakness. Prompt and decisive measures are imperatively needed to recover our prestige, to remove a menace to our national morale.

Further procrastination will not heal the wound opened by the plebiscite, it will only aggravate it. Mr. King in his present dilemma faces exactly the same sort of a situation that the United Nations faced in Madagascar. There is a distasteful but vital job to do and the sooner it is faced and done the sooner can we start to forget the present controversy.

There is little to be gained in amending the Mobilization Act merely in order that the government may introduce, at its leisure, conscription for overseas service. The plebiscite clearly demonstrated that the vast majority of the Canadian people want all barriers to a total effort removed now. Tomorrow, next week or next month the Canadian Army overseas may be involved in heavy action and heavy casualties. There will be an immediate call for reinforcements. We must have the men trained and ready to meet that call.

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BRITISH ORDERS BUILT U. S. WAR INDUSTRY

A miracle has been performed in the conversion of United States industry to war. Airplanes, tanks, guns, ships and other war weapons are being produced in staggering quantities.

A fact worthy of being recalled is that the foundations of American war industry were laid, in the first two years of this war, by the British government. In pre-Lease Lend days, when "cash-on-the-barrelhead" was in order, Britain sacrificed over $3 billions of the American investments of its citizens and poured the money into the United States industrial plants to bring about a conversion of peacetime industries to war production.

Because this foundation was so securely laid by British orders, the American defense programme is today at least two years ahead of the point it could otherwise have reached. Such a gain indeed may later have proved to have been the turning point in the whole war. Every bit of equipment the war factories of the United States can turn out this year will be needed to hold the Japs, to maintain the resistance offered by the Russian armies, in short to repel the last desperate gamble of the Axis powers while our forces are being marshalled for final victory.

In a special article on page 9 of this issue, a staff writer lays the facts on the line.

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SHOULD RECONSIDER CANADIAN TRAVEL IN U. S.

Even during the first two years of the war when our need for conserving our precious supply of American dollars was absolutely vital, The Financial Post was never certain of the wisdom of completely banning Canadian "pleasure" travel in the United States. And in this stand this paper was not alone. Properly controlled, it was argued, Canadian visitors to the United States would perform two vital services:

1. They would help maintain goodwill towards Canada at a time when enemy agents and others were trying to stir up ill-feeling between the two countries.
2. They would "sell" Canada to potential American tourists who would bring into this Dominion far more American dollars than Canadians would take out.

These two potent arguments still stand, and especially so the first named, while the main reason for banning Canadian foreign travel has lost much of its urgency.

Shipments of Canadian-made war materials and other necessities to the United States can maintain our trade balance, even without Lend-Lease aid. But trade alone is insufficient for the development of proper feelings between allies in a common war. We need more of that understanding that comes only from personal contacts, from a free intermingling of friends, neighbors and family relations along our long open border. It was due largely to this free intermingling that no serious misunderstandings have developed between the two countries in the last 125 years and now with Canada and the United States linked together in the greatest crusade of their history we can ill afford to restrict any contacts.

There is, in any event, little danger of large sums being spent. Other war restrictions on travel (gasoline rationing, tire shortage, etc.) in both Canada and the United States, added to the fact that most people are too busy for extensive vacationing, will prevent a spending spree across the line.

A reconsideration of our stand on Canadian travel in the United States is in order.

To Ban More U.K. Exports To Canada

New Order Adds Many Important Items to List of British Imports Prohibited

By STAFF WRITER

OTTAWA.—Further restriction of British exports to Canada has been made effective within recent weeks, The Financial Post is informed.

Most recent ban covers a wide range of knitted woollen goods—socks, sweaters, underwear, etc. Britain is also curtailing (by agreement with the Canadian government) certain important manufactures of cotton.

These restrictions cover items considered non-essential and limit British exports in future almost entirely to cotton yarns and essential piece goods. Such items as curtains, bedspreads, laces, etc., will be affected by the new arrangement. In future, imports will be confined largely to yarn for Canadian weavers and essential piece goods such as shirtings, etc.

Imports Were Rising

Actually total imports to Canada (for consumption) of U. K. products and merchandise increased in the first quarter of 1942 to $34.7 millions compared with $28 millions in the same quarter of 1941.

The increase was due presumably to higher sales of materials and supplies for war purposes. Britain has been able to increase her sales of certain chemicals (soda ash, for example) to offset reduction of goods available for civilian use. Imports in the last calendar year (1941) totalled $136.3 millions—almost exactly the same dollar volume as in 1940 ($136.5 millions). These figures are all on the new basis. They exclude substantial imports of materials and supplies representing U. K. commitments under the Empire Air Training Plan. These amounted in some months to almost as large an amount as the total of all other imports combined.

Since, technically, these materials and supplies remain the property of the U. K. government, they have now been excluded from the returns, thus leaving the figures (as quoted

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His Job — Canada's Critical Commodity

—Photo for The Financial Post by Associated Screen News

With Ontario and Quebec negotiating about a major and extremely vital power development on the Ottawa River—with serious threat of power shortages imminent—with diversion of power from non-essential to essential uses such as aluminum mooted, the job of Power Controller is of key significance to every Canadian—to Canada's war effort. More impact is likely to be felt this fall when the domestic consumer in Ontario and Quebec may be called on to curtail his use of electricity. Herbert James Symington, K.C., is the man whose job it is to distribute available power where needed most. Another big job he holds is president, Trans-Canada Air Lines. As a young lawyer in western Canada, Mr. Symington won benefits for the western farmer and fame for himself. In Montreal since 1929, he has been vice-president and director of Royal Securities Corp. He is also a director of the C.N.R.

Gas and Tire Rules Seen Tightening

Maritime Ration Cut and Expected Tire Order Both Point Way to Tighter Controls

Drastic nature of early U. S. regulations for rationing the gasoline available to a substantial portion of U. S. motorists has necessitated, Canadian oil control officials admit, reconsideration of Canada's policy, now six weeks old.

Revised regulations affecting sale and use of tires are expected very shortly. Munitions and Supply Minister Howe has specifically denied any intention to commandeer tires or trucks, holding that present conditions did not justify such an action.

The Maritimes have already received a taste of what an actual gasoline curtailment means with word that temporary moves to reduce civilian use below present rations are already in force.

First evidence of a new policy in Canada was the order almost completely eliminating gasoline rations for tourists from the United States. Formerly such visitors to Canada for more than 48 hours got a special coupon book entitling them to 20 units of gasoline, initially 100 gallons.

But from May 15, visitors from the United States will get only four units. Moreover, they can only get the four units once a year.

Although not yet officially confirmed, it is understood that U. S. authorities plan to deduct from rationed U. S. motorists visiting Canada coupons covering the

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Ottawa Not Yet Past Major Crisis

How to Make Next Move on National Service Problem Finds Cabinet Sharply Divided and Still Facing Crucial Test

By KENNETH R. WILSON

OTTAWA.—Let there be no doubt as to the seriousness and the import of the latest "crisis" which now hangs heavy over this capital.

What the plebiscite has done is not to settle the conscription issue, so much as to bring it to a dangerous head.

What will happen in Cabinet council and more especially on the floor of Parliament in these next fateful weeks will undoubtedly determine Canada's national destiny for many years to come.

Two chief issues have faced the government since the counting of the ballots on April 27:

(a) The repeal of Section three of the NRMA (National Resources Mobilization Act).

(b) The question as to whether or not the government, having repealed Section three, should then take it upon itself to impose conscription for overseas service, or should first return to Parliament for approval and endorsation.

Last week, in the early days of the "crisis," it was assumed that the Cabinet found agreement in regard to section three—agreement that it should be repealed, thus removing the first and most important obstacle toward conscription for overseas service.

Second Angle Argued

Argument centred largely on the second question: whether or not Parliament should be consulted before the next and final act should be taken. (Repeal of Section three would not affect those already called up under NRMA. It would not affect subsequent draftees unless the government chose to pass a subsequent order-in-council amending the Reserve Army (Special) Regulations, 1941, which require four-month trainees to continue to serve "for the duration" and which also specify the military status and liability of men so called up for training.)

Held Cabinet Must Act

It is reliably reported that while Cabinet was in apparent agreement on the need for repealing Section three, it was openly divided on the subsequent step to be taken. Two Defense Ministers (Ralston and Macdonald) held irrevocably to the view that the government itself (that is, the Cabinet) must take the second step, if, as and when necessary and that there must be no subsequent debate in Parliament or any further seeking of a mandate from Parliament.

Clearly these ministers and the majority of Cabinet who supported them held to the view that the mandate of April 27 must be interpreted as giving the government (Cabinet) itself the authority to proceed with conscription as soon as such a step was deemed a military necessity without any further discussion in Parliament.

(Mr. King is supposedly on record in Hansard and in his first plebiscite speech as having declared that Parliament must give a majority decision before conscription will be finally enacted.)

Cardin Struck on First

Apparently the resignation of Hon. P. J. Cardin came as a rude shock because his action was based not on the chief subject matter of last week's cabinet disagreement, but on the initial question of whether or not Section three should be repealed. Mr. Cardin split with his leader on the first point and took with him some other Quebec members as well.

Just here it is pointed out that the situation today is different from 1917 in that today, the Quebec representation itself is split on the point at issue. There is said to be no possibility of Hon. C. G. Power breaking away from his Leader. Hon. Louis St. Laurent will not part company with Mr. King on the question of repealing Section three, probably not on the second issue either.

As well, the vote of confidence in the Tuesday Liberal caucus is taken to indicate that even the Quebec members who split with Mr. King on Section three are not (for the moment) bolters from the party. They have nowhere else to go. They

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"Advertising Has Great Duty"

Official Economy Hunter Calls It Total War Weapon

The definite assertion that he has never "once suggested" that advertising should be eliminated in cost-cutting activities was given this week at Montreal by Hugh A. Mackenzie, Director, Simplified Practice, Wartime Prices and Trade Board. Mr. Mackenzie was addressing the Advertising and Sales Executives Club of Montreal. His speech in part follows:

In this whole economy programme I have never once suggested that advertising should be eliminated in cost-cutting activities. I am, however, suggesting that advertising has a great and important duty to perform in the interests of total war and I am suggesting further that, with some exceptions, advertisers do not realize the duty and opportunity facing them.

It seems to us that the most powerful and effective means whereby the public may be informed as to changes, and assisted in their undoubted desire to pull together for the prosecution of the war, has been built up and is available through the work of the advertisers and their agencies in the past. Should we not give the most serious consideration to the use of this weapon that lies at hand?

The greatest opportunities to effect economies lie in the distributive and marketing fields. Note also that much of the duplication and excess costs are the results of competitive selling, Is there not a logical inference here which is of vital concern to you? Does not your great opportunity to be of maximum service to our country lie in selling methods of Victory instead of goods?

You have built up your business and spent your energies in competitive fields and in peacetime I would be the first to congratulate you on your success in creating more work, increasing the standard of living, and in the development of new techniques and valuable inventions.

Great Competitor—the Enemy

In wartime, however, is it common sense to dissipate our time, thought and energies in competing with other Canadians? Our great competitor is the enemy. Let's stop fighting our Canadian rival and see if we cannot use the powerful and valuable weapon forged in the laissez-faire period for the great purpose of unifying the Canadian people and directing their efforts toward the one objective.

May I make a few suggestions as to how such a programme might be carried out: Keep your customers informed of changes made

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Break Labor Bottleneck To Free Shipbuilding

From Our Own Correspondent

VANCOUVER. — After several false starts, British Columbia's steel shipbuilding industry will soon be on a seven-day basis and eliminate the lag in production that for several months has given Wartime Merchant Shipping officials a throbbing headache.

Several weeks ago it seemed as though the yards were ready to adopt the new schedule providing for three-shift operation every day of the week in all west coast yards.

Some unions opposed the measure at first, questioning whether it would lead to increased efficiency. The machinists' and blacksmiths' unions were the last to resist, and their attitude meant that some 700 men were holding back production of yards employing more than 15,000 in one of the nation's most essential production jobs.

When Hon. Humphrey Mitchell made a plea to the unions a few days ago only to have it ignored the Dominion government "cracked down" by issuing an order-in-council "ordering and directing" the two recalcitrant unions to fall in line. The result of this order is that the machinists and blacksmiths will either adopt the work schedules now followed by other shipyard unions at the regular scheduled rates, or will not work at all.

Watch Out For Short War Sentiment!

Business Observer in U. S. Finds Fear of Violent Swings of Mass Opinion

By H. L. SOUTHALL
Editor, Hardware and Metal, and Canadian Paint and Varnish Magazine

Watch out for sudden and tremendous swings in American public opinion with respect to the length of the war.

General opinion on that question is of vital importance to almost every type of business and information I gleaned from U. S. officials and U. S. businessmen on a just completed trip suggests that this factor is of much importance in months ahead.

At the moment, according to one noted business consultant the mass feeling is that the war will be long. It has been this way since the shock of Pearl Harbor.

He said it is characteristic of U. S. mass opinion to swing violently and suddenly.

Before the end of this year, there is a strong likelihood that the progress of the war will have been such that this mass opinion will have swung just as far to the other extreme, he believes.

The next 90 to 120 days will be highly important in deciding the issue of the war. He feels that Russian powers of resistance and ability to deliver hard blows against the enemy this summer, plus the rapidly ascending superiority of the United Nations in air power, will result in a big upsurge in public confidence by late summer. This will in turn have a big effect upon business planning.

Trade and Public Relations

"By December, industrialists will probably be scrambling to evaluate their position for post-war business," he stated, emphasizing that meanwhile, the important job for industry is to allow no let-up in its public and trade relations job of telling what industry is doing to win the war.

Jealous of Business?

Other informants suggested that there is a feeling the New Deal administration is a little jealous of the "glamor" which business and industry is enjoying for its outstanding contribution to winning the war.

Some are suggesting that recent enquiries into patent rights, and anti-monopoly proceedings have, in part at least, been actuated by a desire to remove some of the virtuous shine from the industrial scene. Many people feel this has caused an entirely unjustified reflection on several large manufacturers.

Left Hamlet Out of Play

It is admitted the Canadian price ceiling plan has very largely been followed, but, as one prominent executive stated, "They left Hamlet out of the play by not including wages." Best opinion is that the ceilings will be effective in the U. S. within limits. Some flexibility of prices is looked for, with the average tending slowly upward.

"One other difference between our price ceiling plan and Canada's," stated this executive, "is that Canada got able businessmen to run the job whereas there is an impression that many of ours were not selected in quite the same way. We will have a big new army of bureaucrats at Washington, estimated at something like 60,000 persons to run this part of the programme. I estimate it will take 300,000 people to Gestapo this plan and that subsidies may run between two and three billion dollars a year before we are through. . . The price organization being set up is, in my opinion, here for keeps. It won't be demobilized after the war."

See Transport Crisis

Production of war materials is valued at $60 billions in 1942, equal to the whole national income in 1932. Warehouses are choked and materials are now being piled in vacant lots, covered with tarpaulin. Because of probable effect upon the morale of factory workers, this material is sometimes stored out of sight of the plants in which it is produced.

War material production in the next few months will greatly exceed transportation facilities, and there is a fear in some quarters this may result in a public clamor as to why there was not better co-ordination. The serious bottleneck for the next 1½ years will be shipping. Apart from planes which can be flown to the theatre of war, much of the war material to be produced between now and the end of this year will not be in use before the 1943 campaign.

Vast Mineral Development

Some $400 millions is being spent by the U. S. in development of mineral resources, particularly those formerly imported, and some amazing results have been secured. Over 2,500 persons are now employed in the War Materials Division and this may be increased by another 1,000 within the next year.

Tungsten is being produced in Idaho from deposits which will produce more than was formerly imported from China. By 1944 the U. S. will have 20 times as much chrome as it had in 1939; 21 times as much manganese. Tin was smelted at Texas City in April for the first time and the plant is being enlarged to produce 72,000 tons. The U. S. has usually required about 120,000 tons a year, but some Bolivian tin (40,000 tons annual production) is still available, and development of the electrolytic process has curtailed the consumption of tin so that supplies will be adequate.

What this self-sufficiency will mean in the way of disturbance to foreign trade after the war, is causing some concern. For instance, it

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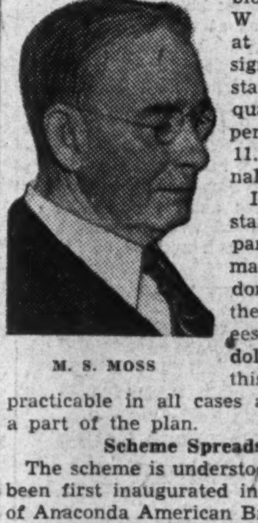
Quarter Hour's Work Key to Charity Drive

A plan for systematic charitable contributions by industrial workers is being introduced in Canada. It involves weekly payroll deductions. These go into an "Employee Chest"—a fund from which donations are made to such war and home-front services as the Red Cross, the Y.M.C.A. and the Salvation Army.

The scheme is being tried in Toronto, where employees of a number of plants have agreed to work 15 minutes a week, 52 weeks a year, for charities they wish to support. Starting around the end of the month, the whistles of these factories will blow every Wednesday at 11 a.m., signalling the start of the quarter hour period, and at 11.15 to signal the close.



M. S. MOSS

In some instances companies are matching the donations of their employees dollar for dollar, but this is not practicable in all cases and is not a part of the plan.

Scheme Spreads

The scheme is understood to have been first inaugurated in the plant of Anaconda American Brass Co. at New Toronto, which has 2,400 employees.

Some months ago M. S. Moss, general manager, recalled his experience in the last war, when he was personnel man at Anaconda's plant in Kenosha, Wis. A workman had come to him and proposed that, instead of an individual canvass whenever an organization was having a financial drive, there should be a regular deduction from pay envelopes— a deduction which represented a set period of working time the employees would donate for all charities they approved.

Mr. Moss put this programme into effect and it proved so successful that the "Kenosha Plan," was widely taken up by U. S. industries.

He felt it could be applied in this war, and outlined the plan to the employees. They took it up enthusiastically—especially when Ana-

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No Dollar Parity Move Expected In Near Future

By STAFF WRITER

WASHINGTON. — Best information obtainable here is that there will be no change for the time being in the present relationship between Canadian and U. S. dollars.

Questions of dollar parity have been aired recently in connection with the proposed pooling of Canadian war production through the newly planned Munitions Assignment Board.

Present indications are that the 10% discount on the Canadian dollar will not be altered.

Over Million Run Factories; 83% More Than in Pre-war

By STAFF WRITER

OTTAWA.—Number of men and women engaged in manufacturing has broken through the one million mark for the first time in Canadian recorded employment history.

As at March 1, 1942, the Dominion Bureau of Statistics reports 1,018,653 persons engaged in manufacturing. This is an increase of 83% over March, 1939. It is almost 70% greater than the corresponding total in 1929.

Most important increases during March were in iron and steel plants which reported a gain of 11,000 men and women during the month. Chemical industry employment rose 10,500 during the month. The bureau's index for production of durable goods now stands at 225.5 compared with 100 at the beginning of the war.

Earnings of employees in manufacturing industries during the last week of February totalled $29.1 millions indicating an earning power for the million workers of $1.5 billions annually.

Most important indications of a slackening of employment were in the rubber and electrical apparatus fields due to shortage of materials for manufacture of consumer goods. Rubber firms reported 16,558 persons employed compared with 16,991 at Feb. 1. Apparatus firms showed a falling-off from [illegible] to [illegible].

MEN'S SHOP

FINE APPAREL FOR MEN

Good Stand-bys from Britain!

ENGLISH SHOES

Shoes from England are a specialty with the Men's Shop. Two very good lines are MOCASSIN and MANFIELD. They're skilfully made from fine-grain calf leathers ... solid leather soles and heels, of course.

Black or brown in most of the wanted styles. Sizes 6 to 12.

Mocassins, pr. 10.50
Manfields, pr. 12.50

FREE PARKING WHILE SHOPPING

MEN'S SHOP

Civil and Military Outfitters

EATON'S - COLLEGE STREET

The War and Business . . .

Crop Changes

War is having a sharp effect on the farm crops of Canada this year. Farmers are holding down wheat acreage to last year's restricted total of about 21 millions. In the first year of the war when farmers thought that wheat prices might follow the sharp upward movement of the first Great War, acreage ran 20 to 25% higher. Area planted to oats remains about normal but this spring there will be a sharp gain in barley, principally used for hog and cattle feed, and flax which will go to replace vegetable and other oils cut off in the East Indies. Flax acreage is up 50% this spring and barley almost as much.

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Fourth Term For F. D. R.?

Washington politicians are now beginning to talk of a fourth term for President Roosevelt. Congressional leaders, according to Whaley-Eaton Service have been advised that the war must be brought to a successful conclusion early in 1944 and politicians point out that this would mean that Roosevelt would be considered the logical man to reconstruct a stricken world. A fourth term, of course, like the present third term for Mr. Roosevelt, would be without precedent in U. S. history but some cautious observers point out that while the end of the first Great War and the second term of President Wilson, exactly coincided, Mr. Wilson's party, however decisively lost the election of 1918.

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More Aluminum

Reconstruction Finance Corp., U. S. government owned financing agency, has contracted to buy 1,370 million lbs. of aluminum from Canada, according to Jesse Jones, Secretary of Commerce. A comparison with 1939's total exports of 145 million lbs. gives some idea of extent of expansion in this industry.

Testifying before a Senate Banking Subcommittee, Mr. Jones stated that annual production of aluminum in the United States would reach 2,100 million lbs. annually when all plants have been finished. Two years ago U. S. production of aluminum was 300 million lbs. and a year ago 540 million lbs. Present rate is about 1,000 million lbs. annually.

He gave some further information regarding U. S. metal output. Completion of the current programme for magnesium production, on which R. F. C. is spending $360 millions, will give annual production of 600 million lbs. compared with 33 million lbs. a year ago. Synthetic rubber production is to be boosted to 800,000 tons annually, against 25,000 tons last year, aided by R.F.C. funds to the extent of $700 millions. Steel capacity is being increased by 10 million tons annually.

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Too Much Mercury?

Is Canada's mercury output from its new mine at Pinchi Lake, B.C., causing "overproduction"?

According to American Metal Market, it was necessary to place a "floor" under mercury when unessential industrial uses were cut off. The "floor" is set at $3 a flask (76 lbs.) under the "ceiling" price.

Canada, which produced no quicksilver before the war, now bulks large among this continent's producers. According to information received by American Metal Market, Canadian production is placed at 15,000 to 25,000 flasks compared with the U. S. 1941 output of 44,000 flasks and Mexican production of 23,000 flasks.

Naturally, "overproduction" of mercury, an important war metal, will be welcomed. Canada with the United Kingdom to supply is expected to expand output still further.

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Unfinished Pants

Tempest over a trouser cuff has just been averted on the Canadian clothing front. The W.P.T.B. announced that retailers could deliver ready-to-wear suits and odd trousers to buyers without having to finish the bottoms of the trousers. Previously no retailer was allowed to let suits or trousers leave his shop in an unfinished condition.

Suspicious minds immediately pounced on this bald announcement as presaging some deep-dyed scheme to beat the recent clothing restrictions. Visions arose of some unscrupulous short-legged citizen buying trousers long enough to fit a six-footer; what would be done with the extra cloth wasn't quite clear. Actually the move is to help out hard-pressed tailors who would have to ask customers to wait days just to get their trouser bottoms finished. As it stands now a buyer can take his new trousers to some less-occupied tailor shop or home for his wife to work on, then blossom out in his new finery in short order.

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Frill Cutting

What have we gained in cutting out the frills? Impressive gains were cited by Hugh Mackenzie, Director of Simplified Practice, W.P.T.B. in a speech in Montreal this week. He said:

Modification in men's suits have conserved sufficient material to make one uniform for every member of Canada's armed forces.

Elimination of almost 70% of screw sizes has only affected 5% of total sales with huge savings in inventories and consequent release of metals for munitions.

Half million dollars of paper saved annually, in addition to dyes, etc., by standardization of note paper, envelopes, etc.

Simplification in plumbing fixtures has released sufficient material to make 250 infantry tanks. Twenty-four sizes of household boilers and 42 types of sinks discontinued.

Range of burial caskets cut 50%, paint brushes 75%, types and styles of rubber footwear cut from 335 to 65, yarn sizes and shades from 1,600 to 48.

FUR FIRM HAS U.K. LINK

Thor A. Schnaufer, formerly president of the firm of that name, has been made president and managing director of Martin-Schnaufer, Ltd. The new firm is a consolidation of two companies long active in the dressing and dyeing of furs. The Schnaufer firm has operated in Canada since 1899. The Martin firm have been leaders in the British fur industry for 69 years.

HOLD HIGH THE TORCH OF FREEDOM

UNUSUAL BANKING
In These Unusual Times

As Canada's war efforts speed up, business in general increases in volume and banking activity also increases. Our service keeps pace with requirements, although more than 600 members of our staff already are in the Empire's forces.

By experience, increased effort and up-to-date equipment, we endeavour to compensate for reduced numbers, to avoid delays and inconvenience to our customers, and to conduct all banking transactions, however unusual, with everyday efficiency.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service ... *the Outcome of 124 Years' Successful Operation*
A151

Investment Notes

Canadian International Investment Trust has taken out supplementary letters patent decreasing the capital stock to 44,000 5% cumulative preferred shares, par value $100 each, and 300,000 no par value common shares. Previously the company had authorized 46,095 shares of preferred. There is no change in the outstanding common stock.

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Dominion Engineering Works has changed its by-laws to reduce the number of directors from 15 to 12.

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Winnipeg Air Observers School Ltd., subsidiary of Canadian Pacific Air Lines, has changed its head office from Winnipeg to Montreal.

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New Brunswick Telephone Co. has under way construction of a new exchange building at Newcastle. Work is expected to be completed next September, when Northern Electric Co. will install the new "common battery" equipment. The cut-over will not be made until early in 1943.

Construction of the exchange was made necessary through the increasing toll business in the Newcastle vicinity, which has outgrown the present facilities.

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Electrolux Corp. reports net profit for the three months ended March 31 last of $191,777 after providing Federal income taxes of $241,900 and a $50,000 reserve for contingencies arising out of war conditions. The latest quarter's net is equivalent to 17 cents a share on the common and compares with $432,916, equivalent to 35 cents a share in the corresponding period of 1941. Before taxes and reserve for contingencies, earnings for the 1942 period were $483,677 against $618,416 a year ago.

* * *

Montreal stock and curb exchanges report collateral borrowings as at April 30 totalling $6.4 millions, an increase of $585,887 from the previous month.

The current figure is $915,962 higher than the corresponding total at the end of April a year ago and is the highest since Oct., 1940.

* * *

Maritime Telegraph & Telephone Co. continues to establish new records. Subscriber stations in operation at the end of March totalled 52,991, a net gain of 517 during the month. The Island Telephone Co., a subsidiary operating on Prince Edward Island, reported 4,842 phones in operation, a net gain of 16 during March.

Volume of completed toll traffic handled by Maritime Telegraph & Telephone in March showed an increase of 10.6% over the like month last year. In all there were 155,568 completed calls handled, an increase of 14,961 over March, 1941.

* * *

Maclaren-Quebec Power Co.'s authority to issue bonds has been extended until November 30 next by the Quebec Public Service Board.

The original application for authority to issue the bonds was approved to be put into effect on or before May 1, 1941. Later this was extended to Aug. 1, 1941, and again to May 31, 1942. Reason for the further extension is due to difficulty in obtaining certain materials by Maclaren-Quebec Power Co.

* * *

United Securities Ltd. plan of reorganization will be submitted shortly by the protective committee to the board of directors for their consideration, according to a statement made at the annual meeting by James Wilson, president.

It is understood some time has been taken up with necessary submission of the plan to the S.E.C. at Washington.

* * *

Yukon Southern Air Transport, now part of the Canadian Pacific Air Lines, has stepped up its services into the Yukon and Alaska for the second time in little more than a month.

Beginning May 11 the service from Edmonton to White Horse will be six flights weekly, or daily except Friday. The present service from Edmonton east to the Yukon is three flights weekly, Mondays, Wednesdays and Saturdays.

* * *

Toronto Stock Exchange member borrowings as at the end of April, 1942, totalled $9.9 millions, an increase of $942,535 from March and $2.5 millions higher than April, 1941. At the same time, quoted market value of all listed stocks as at April 30 totalled $3,226.5 millions, a decrease of $54.8 millions from March 31. Ratio of borrowings to quoted market values amounted to .31 of 1% as compared with .27 of 1% at the end of March and .21 of 1% in April, 1941.

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Gas and Tire Rules Seen Tightening

(Continued from page 1)

amount of gasoline they were allowed in Canada.

Canadian authorities continue checking all holders of preferred gasoline ration categories (higher than an A ration). In many cases the ration books are returned in a lower category. Eventually all preferred rations will be checked individually.

Some of the important differences between the rationing plans of Canada and the United States follow:

In Canada, it is estimated only about 20% of motorists received preferred treatment—better than A category.

U. S. preliminary estimates indicate that about two thirds of the motorists in the area affected get preferred treatment.

In Canada, gas rationing covers the entire country and has been imposed indefinitely.

The U. S. plan at present covers only the period from May 15 to July 1 and is only effective in 17 eastern states and the District of Columbia. Estimates indicate something over a third of U. S. motorists will be rationed. After July 1 a permanent scheme may be established. Official forecasts suggest a harder time ahead for motorists seeking preferred rationing.

Straight comparison of the higher categories allowed in each country gets complicated. Canada rates various jobs and sets rations based on presumed needs and importance of the use to which gasoline is to be put. The original groupings attempted to follow industrial and job classifications. Salesmen who worked exclusively in country territories received an E category and were entitled to 388 units to 500 units depending on the make of car. Salesmen working in cities or towns got a C category, entitling them to from 168 to 216 units depending on make of car.

Canada's system is adjusted for varying sizes; the different automobiles being grouped into three classes according to estimated gasoline consumption. In addition Canada requires the 80% of motorists in category A to use their coupons within a set period. Coupons for the first quarter cannot be carried over into the second and so on.

Canada's Ration System

Category	Units Per Annum Per Class 1	2	3
(Three Classes Refer to Size of Car)			
A	60	68	76
B	88	100	116
BX	132	148	172
C	168	188	216
D	280	312	256
E	388	436	500

The preliminary U. S. system allocates gasoline according to the amount necessary to drive the mileage estimated necessary for the individual's job. Published summary of U. S. rations are:

U. S. Ration May 15 to July 1

	Gals.	E. A. D. M.*
Class A	21	Less than 6
B-1	33	6 to 10
B-2	45	10 to 14
B-3	57	More than 14

*Estimated average daily mileage.

Both countries promise motorists that rationing is likely to become more rather than less severe. With transportation facilities the real bottleneck, what happens in the future is entirely determined by ability to get supplies to where they are needed most.

Urges Watch Out For Short War Sentiment

(Continued from page 1)

is estimated that manganese formerly imported, and now developed at home, about equals the value of the annual export of Oregon apples.

Green Light For Spitoons

Priorities are causing much trouble, because 50% to 60% of materials are in the A1A class, and because of scarcity, as much confusion has resulted as if there were no priorities on such materials. One expert on the subject stated that A1A priority would be given on a cuspidor because it was an Army order. He was not facetious. What he meant was that all such orders from that source would carry that priority rating, irrespective of their importance within that classification.

"We must whittle priorities down to the available supply of critical materials," he stated, "We may have to go to the British system of warrants in order to clean up this system."

Many thousand tons of silver are likely to be used in place of copper, largely for conducting electric power in government plants. The Treasury has 22,000 tons of silver worth $25,000 a ton compared with $250 for copper. It will be used only where its safety is ensured and will be "on loan."

Synthetic rubber production is under a programme calling for 800,000 tons, of which 350,000 tons are to be delivered in 1943. The U. S. used 1 million tons of rubber in 1940. Requirements of the services for the United Nations will use up all the crude the United Nations have by the middle of 1943.

Only Three? Hand 'em Over

The War Department has asked for the right to confiscate rubber. It is thought likely people will be asked voluntarily to turn in their spare tires. When the owner gets down to three tires—and his car is definitely stalled—he will be expected to turn in the three. Reclaim rubber supplies are only about half what is needed. Latest German tires are said to show about a 20% content of crude rubber. There is said to be no limit to the amount of synthetic rubber to be produced except the limit placed upon it by shortage of steel, nickel, etc., for construction.

Assoc. Tel. & Tel.

Associated Telephone and Telegraph Co.'s financial statement for 1941 shows revenues maintained on much the same basis as in the preceding year.

During the year the company acquired for retirement from a wholly-owned subsidiary, 2,123 shares of 7% first preferred, 3,010 shares of $6 first preferred, 4,213 shares of $4 preference, and 39,228 shares of Class A stock.

In respect to the company's foreign holdings, F. S. Spring, president, points out properties in various war areas, including factories in Belgium and Italy, and telephone-operating property in the Philippine Islands, are in enemy hands. There is no income from these properties. Actual losses in connection with these investments are not known, but further partial writedowns with respect to the investment in factories in Belgium and Italy were made in 1941 by the subsidiary company which owns the securities. No provision has been made for possible loss of capital invested in the Philippine Long Distance Telephone Co.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Total income	968,970	1,056,787
Less: Expenses	159,872	159,551
Net earnings	809,098	897,236
Less: Interest	642,132	649,007
Debt discount	63,212	63,887
Gen. interest	......	942
Cont. reserve	......	101,382
Net profit	103,754	82,018
Less: 7% pfd. divds.	34,545	18,462
$6 pfd. divds.	42,417	22,653
Surplus for year	26,792	40,903
Add: Previous surplus	782,012	707,706
Profit on debent.	28,861	33,403
Recovery item	825	......
Earned surplus forw'd	838,490	782,012

Balance Sheet Changes

	$	$
Cash	199,391	389,812
Investments in sub.	22,001,149	21,851,149
Other investments	1,358,221	1,254,752
Rec. from subs.	79,676	315,884
1st preferred	3,084,400	3,296,700
Funded debt	11,637,000	11,748,000
$6 preferred	3,792,457	4,050,805
$4 preferred	983,650	1,194,300
Class A stock	1,368,466	2,231,482

Quarter Hour Charity Toil

(Continued from page 1)

Conda agreed to match their donations dollar for dollar.

Red Cross Donation

This week the employees and the firm pledged $25,000 to the Red Cross. That was half the total Red Cross objective for all of New Toronto.

"I know the plan works," Mr. Moss told The Financial Post. "If it is put over generally, there will be as much money as is needed for all the services which are entitled to support."

To get scores of plants lined up on the same campaign is now the aim, under the leadership of B. A. Trestrail, Toronto, who is campaign chairman of the Employee Chest.

One factory after another is now falling in line and there are indications that other cities in Canada will take it up.

Mr. Trestrail estimates that the systematic weekly deductions from pay envelopes will enable employees of some firms to give various charities 15 times what they have been giving. "And," he adds, "without feeling it."

Obituaries

George A. McNicholl at [redacted] former general passenger agent Canadian National Railways.

F. J. Cockburn, aged 87 at Montreal, formerly assistant general manager Bank of Montreal.

C. E. Allen Boswell, aged 71 at Quebec City, vice-president National Breweries and director Boswell Brewery, Quebec.

Banning More U. K. Exports To Canada

(Continued from page 1)

above) to cover only war and civilian merchandise imported for Canadian "consumption."

Also Cutlery, Bicycles

Last year's agreement with the United States, which precludes Britain from exporting merchandise which requires critical materials in its manufacture, is also narrowing the list of U. K. exports to Canada. Chiefly involved are cutlery, bicycles, etc. Canada is most anxious to obtain additional shipments of bicycles from the U. K., but these are held up pending a special arrangement with the U. S. authorities.

It is believed that little more can be expected by way of fine chinaware. Latest reports indicate that Britain is herself going out of the manufacture of this type of merchandise—one of the most famous items in Britain's export trade. Sales of semi-porcelain and earthenware china which have been coming through in considerable volume will continue as will the importation for manufacture and export to Canada of all types of glass-window, plate, ordinary cut glass.

Good liquor stocks in Britain are becoming a diminishing asset. As well, the higher prices of Scotch whisky in comparison with rye and other competitive brands tends to reduce imports. Boots, shoes and leather goods continue in good volume.

There is a serious potential shortage of coal in England, but it is hoped that exports to Canada will continue at the rate somewhat below the 600,000 tons sent out last year. The present expectation is for about 500,000 tons from U. K. in 1942.

Ottawa Not Yet Past Crisis

(Continued from page 1)

still want to stay under Mr. King's protective wing even though they will not support him on a conscription vote.

Fear Move Disastrous

For the future the issue seems to revolve on whether or not the Prime Minister can repeal Section three without forcing a commitment as to the next step.

Hence to make such a commitment now (it is argued) would be dangerous if not disastrous to the King administration. It might force an immediate open break with Quebec—a break which, it is hoped, may be avoided if the ultimate decision is deferred for the time being.

For one thing, it is argued that Mr. Cardin's resignation removes the most important stumbling block to a vigorous educational campaign through Quebec province — a campaign which has admittedly never yet been attempted and which will aim to prepare the way for conscription for overseas service once the voluntary system breaks down.

Further, if an open break can be avoided for the present (it is possible if not altogether likely) that new military circumstances may arise (battle casualties for the Canadian army) which will put an entirely different complexion on the present situation and make the ultimate decision quick and comparatively painless.

King Performance Good

What has fascinated Parliament Hill within the past few days has been the brilliant histrionics of the Prime Minister in this the supreme conflict of his political life.

Sitting as he is on top of a rumbling volcano of fantastic proportions, he has so far succeeded in beguiling his listeners into the belief that nothing more exciting than a bit of humdrum house routine is happening.

To listen to him read in his dull monotone voice the Cardin correspondence was to enjoy as fine a piece of political stage play as the Parliament has probably ever seen.

Saguenay Power Boosts Income

Favorable Water Conditions Reflected in Revenues in Past Quarter

From Our Own Correspondent

MONTREAL. — Saguenay Power Co.'s consolidated financial statement for the quarter ended March 31, 1942, shows operating revenues of more than $1.6 million, an increase of nearly $450,000 over the like period a year ago. This reflected favorable water conditions, which enabled the company to generate 695 million kw.h. in the past quarter, plus 17 million kw.h. purchased. Comparative figures on deliveries are not available, but the company reports the drop in power sales was much less in the first quarter of 1942 than was the case a year ago.

Statement of Consolidated Income
Three Months Ended March 31

	1942 $	1941 $
Operating revenues	1,640,829	1,193,838
Less: Oper. exps.	179,051	253,818
Taxes	93,565	83,568
	1,368,213	856,452
Add: Other income	15,916	33,502
Net revenue	1,384,129	889,954
Less: Int. on debt	354,447	363,367
Amort. debt exp.	44,144	44,144
Depreciation	182,390	181,954
	803,148	299,989
Prem. bonds retired	23,858	......
	779,290	
Provision for taxes	365,407	158,634
Net income	413,883	141,355

Stress Great Duty Of Advertising

(Continued from page 1)

necessary by the war effort; tell them why these changes are necessary; tell them how to take care of the goods that are available; tell them that waste is sinful and that hoarding is treason; teach a philosophy of saving, that if we are to win the standard of living must go down; tell them specifically what they should do without.

Repeat the marvellous job that you did on the Second Victory Loan, only do it continuously. Tell them that they cannot expect miracles; tell them that there is no easy way to Victory; tell them we must fight as one family and all that that implies; tell them that they must not expect service, that they must do things for themselves; tell them those things from a national viewpoint and not from the narrow concept of one unit in one industry—and, through your association develop on a nation-wide basis, these underlying themes in your advertising. Finally, give a salute to Mrs. Consumer who is helping in the struggle against inflation. If you give her the credit she deserves, she will extend her help and she will repay you with her goodwill.

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Montreal B. of T. Slate Nominated

T. B. Weatherbee Expected to Head Organization in New Term

From Our Own Correspondent

MONTREAL.—T. B. Weatherbee, Montreal manager of the Canadian Bank of Commerce, has been nominated for the post of president of the Montreal Board of Trade. Nomination is tantamount to *election.*

Fred B. Walls, of the T. Eaton Co., Montreal, has been nominated first vice-president and D. A. Whitaker, second vice-president. D. A. Hanson is nominated as treasurer.

Slate for Council

The 12 members nominated for the council are: D. C. Grant, Owen Lobley, D. G. Macpherson, F. J. Cunningham, E. H. Hodgson, R. T. Jackson, R. E. Stavert, R. J. Williams, F. G. Wood, J. E. Labelle, H. J. Brace and F. D. Chapman.

For the 12 seats on the board of administration, the following are nominated: Ross Clarkson, B. W. P. Coghlin, Norman J. Dawes, Jos. Daoust, C. D. Harrington, Samuel Hart, Walter S. Hulbig, Henry W. Morgan, J. W. Nicoll, H. S. T. Piper, J. V. R. Porteous and C. H. G. Short.

Montreal Locomotive Works Ltd. announced the election of Alexander M. Hamilton, executive vice-president, to the board of directors. The election took place at the annual meeting when other directors were re-elected.

Mesh Panama
by
STETSON

Cool, lightweight Stetson of genuine hand-woven Panama straw, in new pinch-front, snap brim style with plain black band. Sizes 6¾ to 7⅝. Each $10. Many other Stetson straws at Simpson's, $5 to $10.

P. S. While you're at Simpson's, be sure to see the new Alpine cloth "Bucket Hats" for Summer sports, 2.25. Also the Utility Hat with visor, 45c.

Simpson's

THE STORE FOR MEN — STREET FLOOR

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Village of Baie Shawinigan, P.Q.	May	L. G. Beaubien & Co.	4%	1943-62	$35,000	99.10	.....
Arnprior, Ont.	May	Royal Bank	4%	1949	12,500	104.35	3.30%
Hull, P.Q.	May	A. E. Ames & Co.	4%	1943-54	216,500	*100	.....
Twp. of Yarmouth, Ont.	May	Goulding, Rose & Co. privately	3¼%	1943-62	21,260	*101	3.15%

*Offering price.

This Week, The Financial Post asked —

"In view of the fact that only about 65% of those eligible voted in both plebiscite and last Dominion election, would you favor compulsory voting?"

L. W. Brockington, K.C.

Former special assistant to the Prime Minister, internationally known speaker and prominent legal authority.

The opportunity to vote has been usually regarded not only as the right but also as the privilege of a free man. In the absence of extended experience in democracy such as ours it is not easy to determine whether it can, with public advantage, be made an enforceable duty.

It is a truism that the hope of democracy lies in the wider and deeper education in its meaning and its processes. Our hope lies in knowledge, wisdom and a passionate application of individual interest and responsibility to public questions. It can be assumed that abstention from the franchise is largely due to ignorance and apathy.

It is very doubtful whether the compunction of the ignorant and the apathetic will bring about any notable improvement in our system or would have affected the proportionate result of the recent plebiscite. It would seem much more desirable to use all the educational opportunities of school, university, press, radio and public meetings in order to awaken public interest and to point the way to individual duty.

* * *

Dr. Horace L. Brittain

Director, Citizens' Research Institute of Canada.

In my judgment what is really needed is not a greater number of voters, but a greater number of intelligent and courageous voters. People possibly may be compelled to go to the polls, but they cannot be compelled to vote or to vote intelligently. The percentage of voters in some municipal elections may fall as low at 25 or 30% and yet few would say that the average quality of municipal government falls below that of provincial or even federal government.

To obtain an intelligent, independent electorate is a long time educational programme. More than half the franchise is securing good candidates. Those who select the candidates are more influential in determining the quality of government than those who choose between candidates selected by others. If the electorate cannot learn how to secure good candidates, making electors go to the polls is hardly likely to produce worth-while results.

If the aim is to change nonvoters into intelligent voters, enforcing a compulsory voting law by depriving non-voters of the franchise reminds one of cutting off a man's head to cure his cold.

If voters were allowed the privilege of voting against a candidate and assured that their negative votes would diminish the candidate's total, at least a partial answer would be given to the question, "What's the use of voting?" and more electors might be encouraged to vote. Non-voting and non-participation in the selection of candidates are symptoms of a deep seated disease. For this there is no single specific cure and certainly it cannot be cured by treating its symptoms.

* * *

E. James Bennett

Of Geo. A. Touche & Co., accountants, 67 Yonge St., Toronto.

Spring work on farms may account for the smallness of the recent vote.

I would favor suspension of the franchise for one subsequent vote for voters deliberately refraining from voting without a valid excuse. Two such omissions would permanently disqualify the voter.

Our electoral system should be revised based on a multiple vote. I suggest one vote as at present, one additional vote to Canadian or British born, and one additional vote to property owners with property valued at $1,000 or more. These qualifications, other than birth, are within the reach of everyone. One additional vote should be given to those who will take the trouble to pass an elementary examination on the principles of democratic government.

* * *

M. J. Coldwell, M.P.

Head of the C. C. F. party and member of the House of Commons for Rosetown-Biggar, Sask.

Personally I favor compulsory voting provided rural polls are more conveniently located and more numerous. Many voters now drive 10 miles more or less to cast ballots.

I believe, however, education of the electorate in current public affairs should be promoted by democratic leaders. Free halls and ample radio time should be made available to responsible groups for discussion of policies and affairs. Democracy depends upon the principle of frank and free discussion. Meantime compulsory voting might compel greater interest in the vital economic social and political issues which confront this nation and the world.

* * *

Dr. M. A. Cameron

Dept. of Education, University of British Columbia, Vancouver, B.C.

In my opinion most votes obtained by compulsion would be valueless. They would represent not careful study and serious thought, but at best snap judgment and at worst frivolity or derision. Compulsory voting is a cumbersome treatment of symptoms not causes. The apathy to political issues which we all regret, might better be attacked by public forums, adult discussion groups, round tables, and town halls on the radio, and fearless study in schools of important and even controversial political problems.

* * *

R. J. Deachman

Former M.P. for Huron North, political and economic writer, former head Consumers' League, etc.

You can force a man to mark his ballot but you can't make him think. Who wants to be governed by those who vote in an election or a plebiscite in order to avoid paying a nominal fine?

Education, not legislation, is the true remedy for failure to exercise the franchise. The present method is a form of large scale sampling with the decision weighted in favor of the intelligent. It would be better for the voters if they had more interest in these matters but I doubt if it would materially affect results.

* * *

D. M. Dunbar

Editor, The Mercury, Estevan, Sask.

I would favor some system whereby those not voting in one federal election would be ineligible to vote in the next.

* * *

C. W. Holmes

Editor, Rosetown Eagle, Rosetown, Sask.

We are opposed to compulsory voting. Those voluntarily using the franchise are those who have been thinking and have arrived at a conclusion and are therefore more intelligently qualified. Those who cannot or have not come to a conclusion are unsafe voters and are decidedly not intelligently qualified.

Compulsory voting to the ill and to those who are deterred through impassable roads would be nothing short of hardship. After all this country is a democracy. We have freedom to speak or not to speak. To compel one to vote who is uninformed is dangerous—very dangerous.

* * *

J. P. Hynes

Honorary treasurer, Citizens Research Institute of Canada.

I do not favor compulsory voting as it is incompatible with free citizenship. Compulsion should only be used in national peril such as war, disease and illiteracy.

Education should make compulsion unnecessary by producing a citizenship that would discharge all its civic duties.

* * *

Lt.-Col. Jules Landry

Advocate and secretary-treasurer and director, Clairval Ltd., etc., Chicoutimi, Que.

It is not easy to express a considered opinion on compulsory voting without making an exhaustive study of the various aspects of the question. However, I would express the view that while under normal circumstances a 65% vote should afford a reliable indication of the attitude of the electorate. It nevertheless remains important for the success of the democratic form of government that every citizen should take enough interest in the welfare of his country to study the issues submitted to the people and to cast his vote according to his convictions. I would therefore favor in principle a system of compulsory voting which would make generous allowance for legitimate excuses for not voting.

* * *

W. J. McMeeken

Mayor of Sault Ste. Marie, Ont.

As Canada is still a democratic country I do not favor compulsory voting. I believe that governments should put on an educational campaign to secure more interest in elections and that employers should take more interest in seeing that their employees use their franchise.

* * *

Dr. Norman Mackenzie

President, University of New Brunswick, Fredericton, N.B.

I do not believe that compulsory voting would be of any great value in its effects or influence on government in Canada today. It is much more important that people should feel that the right to vote is a privilege and that it means something to them, rather than that they should be unwillingly dragooned into going to the polls.

Further, such compulsion is not in accordance with my understanding of democratic procedure and practice. I would prefer that we try to increase public interest in the business of government and in party organization. We should try to give these apathetic electors a sense of having some influence on and some share in the government of the country rather than compel them to vote.

* * *

William Morrison, K.C.

Mayor of Hamilton.

I feel this is a matter of education, not legislation, and that a proper course in public citizenship in the schools, emphasizing the duties and privileges enjoyed by the individual in a democratic state, could do much to bring about a greater percentage vote.

It is rather peculiar that some of the people supposed to be the most sane and sound citizens in our communities, with position and stakes of both a municipal and national character, are the very ones who are the worst offenders.

I am opposed to compulsion for two reasons. First, it is contrary to our democratic principles, and secondly, although a person could be forced to the polls by legislation, the secret ballot makes it possible for that person to spoil the ballot. Although it may be argued that compulsory voting might make the people take an interest in the questions on which they are voting, or the candidates seeking election, compulsory voting might, on the other hand, create a resentment which would nullify any advantages of forcing people to the polls.

* * *

Prof. L. Richter

Of the staff of Dalhousie University, Halifax, and editor, Public Affairs.

By casting his vote a citizen in a democracy exercises his privilege of participating in the government of his country. If he is so little interested in it that he will not vote except under compulsion, his expression of opinion at the polls is likely to be ill-informed and his participation of doubtful value. For the community voting means more than going to the polling booth. It involves a spontaneous decision about conflicting values and the acceptance of a moral responsibility both of which defy enforcement.

The answer to your question is not compulsory voting, but systematic education of adults and juveniles for a better understanding of public affairs.

* * *

Vicomte de Roumefort

Of Montreal, general manager and director, Credit Foncier Franco-Canadien, and director of several other Canadian corporations.

The proper functioning of the parliamentary system requires that each person eligible to vote should exercise his right. Every elector who, by negligence or indifference, abstains from voting when called upon to do so, betrays the democratic institutions for the upholding of which we are all struggling.

Negligence and indifference should not be tolerated when the future of the country is involved. Voting should be made compulsory so that each one may learn how to face his responsibilities and so that the final result of the voting may represent the opinion of the country as a whole.

* * *

L. W. Simms

President, P. Simms & Co., Ltd., Saint John, N.B.

Compulsion as an instrument of democracy, save in great emergency is a contradiction in terms. To force choices through herded votes is to nullify the votes of those with intelligent convictions. Failure to use the franchise is the barometer of failure in leadership and in evaluating the cost of freedom both as our forefathers won it in character, commitment and sacrifice, and as we must likewise preserve it. We cannot build a democratic state with totalitarian methods. Caring much for political freedom as a safeguard to spiritual freedom we must not push but lead our people to the polls.

VICE-PRESIDENT

J. E. Porter, of Windsor, Ont., who has become a vice-president of Ford Motor Co. of Canada after 20 years with the company. General superintendent since last July, Mr. Porter had previously been in charge of engineering activities and has throughout held a key part in the company's vital war production.

B. C. Utility To Revamp Capital

West Canadian Hydro Would Take Over Pacific Power

-Another step in simplifying the capital structure of the group of British Columbia public utilities of which the chief unit has been West Canadian Hydro Electric Corp. is proposed.

The holding company, Pacific Western Investment Co., is to be eliminated and West Canadian is to acquire direct control of Pacific Power & Water Co., at present a subsidiary of Pacific Western as is West Canadian Hydro as well.

The plan follows along the same general lines as that of 1938 when Canadian Public Service was wound up and West Canadian Hydro acquired Okanagan Telephone Co.

Meetings May 20

Proposals to be voted on at special meetings on May 20 in Vancouver provide for an exchange of securities as follows.

West Canadian will own all 25,000 no par issued common shares of Pacific Power. At present capitalization of Pacific Power consists of 18,550 no par common shares of which 5,800 are held by the public and the balance by Pacific Western, 2,000 7% second preferred of $50 par and 3,590 6% prior preferred of $50 par. All of the prior preferred shares are held by the public and all of the second preferred by Pacific Western.

Holders of Pacific Power prior preferred are to receive new 5½%, 1966 debentures of West Canadian on a par for par basis with interest to accrue from July 1, 1942.

Minority common shareholders in Pacific Power (holders of all shares not now owned by Pacific Western) are to receive one share of West Canadian common for each two shares of Pacific Power now held.

Pacific Power second preferred is to be converted into common and to be held by West Canadian.

Wind Up Pacific Western

At present Pacific Western controls 51,000 out of 100,000 issued shares of West Canadian and 12,650 out of 18,550 issued common shares and all of the second preferred shares of Pacific Power. It also holds miscellaneous securities having an aggregate value of under $2,500.

Capitalization of Pacific Western, in turn, is controlled by Maquinna Investments Ltd., a private company, which owns 12,045 out of 25,000 issued preferred and 12,290 out of 25,000 issued common shares of Pacific Western. Maquinna also holds the entire $102,000 issue of 6% bonds of Pacific Western which are in default from May 15, 1941.

Under the recapitalization plan, Pacific Western is to be dissolved and its assets distributed.

Each common shareholder, except Maquinna Investments, will receive one West Canadian common share for each 10 Pacific Western shares held. Holder of each Pacific Western preferred share, except Maquinna, will receive one West Canadian common share for each present share held. Maquinna would receive a voting trust certificate for 51,000 West Canadian common shares and $24,090 in cash or West Canadian debentures as well as all miscellaneous assets of Pacific Western except cash and Pacific Power shares.

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Your bonds are valuable and should be protected from possible loss through theft, fire or being mislaid.

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Buy WAR SAVINGS CERTIFICATES EVERY PAY DAY

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Established 1832—Over a Century of Service

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Permanence, an unusual degree of fire-safety, freedom from costly upkeep and early occupation (important in wartime), have increased the use of concrete for commercial building construction. Its availability and its ready and inexpensive adaptability to the newest in building design is likewise an important factor in its favour.

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CANADA CEMENT COMPANY LIMITED

Office — 803 Northern Ontario Building — Toronto

EVEN THE 1,000,000 HYDRO-ELECTRIC HORSEPOWER NOW USED IN ONTARIO'S WAR TIME PRODUCTION — —

is not enough!

Electric Furnace pouring molten steel

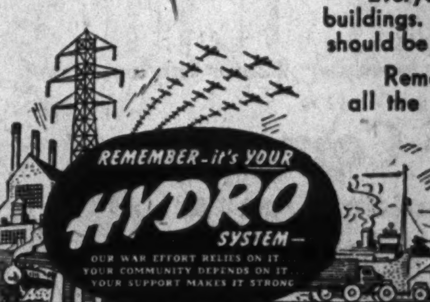
This is a war of Steel . . . and of Electricity!

Ontario's wartime plants now use over 1,000,000 hydro-electric horsepower. And still more hydro power must be harnessed to steel to produce guns, gun carriages, tanks, corvettes, cargo vessels, etc. Over half of Canada's wartime weapons are "made in Ontario". Your Ontario Hydro System must and will supply the electric energy to produce them.

Now, you can see why we must all save "Hydro" current in every way. Such savings will help to win our Battle for Freedom.

Everyone can help—in homes, offices, shops, factories and public buildings. Not a single unit of electricity, for light, heat or power should be used unnecessarily.

Remember, too, that wartime production must be paid for. Save all the money you can and buy more War Savings Certificates.



CONSERVE ELECTRICITY

Poor lighting is false economy, but don't waste current. Switch off the lights when you leave your office for even a few minutes. See if your stock-room, hallways or private offices can't do with fewer lights. Every Hydro-Electric unit saved means more power for our war industries.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

War Pushes Steel Profits Into Background

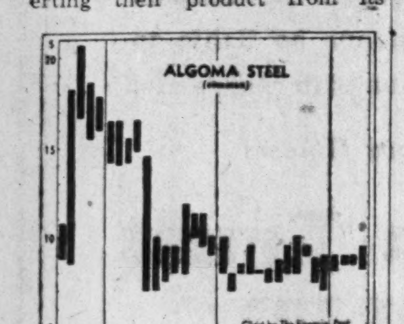
Record Output Brings Increased Facilities But Little Gain in Earnings

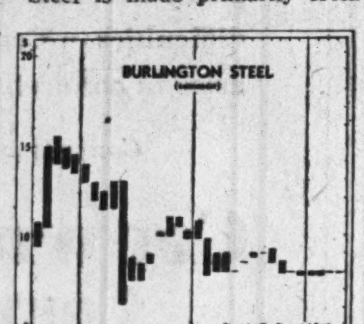
By A. D. ELLWOOD

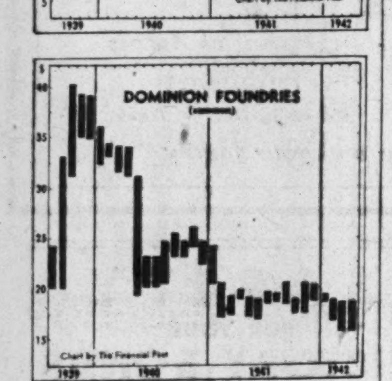
Ask anybody what primary material is most essential in wartime. The answer will be steel. Today's armies ride in trucks, fight in tanks and use weapons of steel; shoot steel.

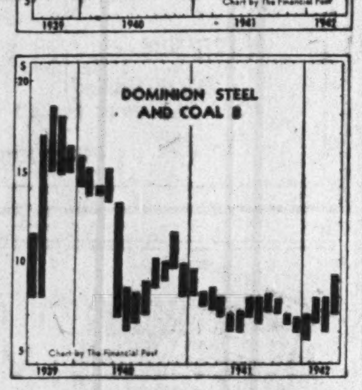
Behind them are industrial machines—of steel; ships, fighting vessels, cargo vessels, trains, trucks — a civilization built around steel.

More and more the primary iron and steel producers are diverting their product from its ordinary peacetime uses to the needs of war. The list of everyday items for which iron and steel is either no longer available, or only in greatly restricted quantities, begins with the automobile, in former days the largest single consumer of steel. It includes refrigerators, washing machines, stoves, construction and engineering projects, and many others.









Lose Markets, Gain Others

In spite of this loss of regular markets, Canada's 1941 output of iron and steel was substantially higher than ever before; 1942 will almost certainly see another important gain.

In 1939, Canada's 10 blast furnaces produced 755,731 long tons of pig iron and worked at about 50% of rated annual capacity.

In 1941, 11 blast furnaces produced 1.4 million tons and were working at 94% of theoretical rated capacity in Dec., 1941. The only idle furnace was one that had not been used for several years and presumably was not in shape to produce. In March this year, it was stated that this long-idle furnace was being reconditioned. When ready it will add 122,600 tons to our annual pig iron capacity—another 6%.

Another new blast furnace came into production in March this year, bringing rated annual pig iron producing capacity to 2.1 million tons from 12 furnaces as compared with 1.7 million tons at the end of 1939 from 10 furnaces.

Pig iron production in August, 1939, last prewar month, was 66,000 tons; in March, 1942, it was 167,000 tons.

Steel is made primarily from pig iron or scrap, with the addition of relatively small but vital amounts of various alloys and other materials for particular uses.

At the end of 1939, Canada's steel-producing furnaces — basic open hearth, converter and electric — could turn out 2.3 million net tons of steel ingots and castings. In March, 1942, this had grown to 3.2 million tons, a gain of over 39% in just over two years.

Demand Still Urgent

Still the demand keeps growing faster than capacity in all lines. On April 20 at the Steel Co. of Canada annual meeting, President Ross H. McMaster told shareholders something of current demand conditions. He stressed the fact that "urgent demand for steel . . . has become still more intense as the current year has progressed." More and more of the supplies available are going to war and vital needs. Further restrictions on less essential needs "appear a practical certainty." Record breaking domestic production and increasing imports are unable to satisfy the steadily expanding war programme.

War and Steel Earnings

Wartime Earnings Record

	Net Earnings (Before int., deprec., tax.) 1941	1940	1939	Net Profit (After all Chgs.) 1941	1940	1939	Per Com. Sh. 1941	1940	1939
	$000	$000	$000	$000	$000	$000	$	$	$
Algoma Steel*	2,561	1,900	983	912	780	227	1.96	1.62	0.29
Burlington Steel	330	271	187	151	131	111	1.08	0.93	0.79
Dom. Foundries	4,277	1,913	2,000	1,096	501	1,213	2.80	1.18	3.47
Dom. Steel & Coal	†3,449	†3,156	3,039	1,166	1,167	1,333	1.12	1.11	1.28
Steel Co. of Canada	12,702	9,317	8,340	4,440	4,264	4,687	§6.17	§5.92	§6.51

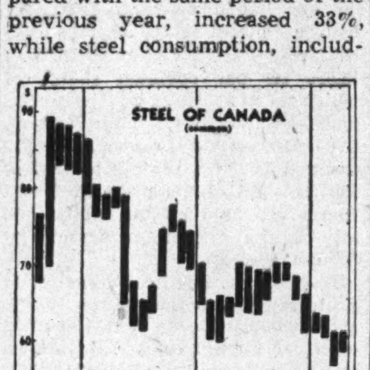
*Years ended Apr. 30.
†Income and excess profits taxes deducted with operating expenses in 1941 and 1940.
§On combined preferred and common shares.

Net Working Capital

	1941	1940	1939
	$	$	$
Algoma Steel	5,518,935	4,017,535	5,029,067
Burlington Steel	1,036,019	934,552	872,544
Dominion Foundries	2,748,281	1,304,211	2,135,800
Dom. Steel & Coal	13,349,317	11,133,579	9,765,687
Steel of Canada	17,771,471	15,165,807	15,602,097

Mr. McMaster told shareholders that:

"Sales in value, however, for the first quarter of 1942, compared with the same period of the previous year, increased 33%, while steel consumption, including purchases made to supplement your company's own production, showed an even greater advance. Shipments for the month of March exceeded those of any similar period in the history of the company."



Materials, Capacity Limit

This example is typical throughout the industry. Ability to meet the vast demand is limited by available raw materials and plant capacity.

Increases in blast furnace and steel producing capacity have already been mentioned. But this is not the end. Algoma Steel has work under way on a programme which will add another two thirds, or about 450,000 tons annually to its pig iron producing capacity. One section will be ready in August this year and the balance by the spring of 1943.

What About Shareholders?

What has this growth meant to the company earnings? Can shareholders expect to participate in this record-breaking activity?

Reference to statements of Mr. McMaster is helpful. He stated that his company's steel consumption in 1941 increased 35% over 1940 and 90% over 1939. Sales in value were up 36% from the previous year or 89% from those of 1939. He goes on to state:

"Under other than war conditions such an unusual growth in sales and production would have been accompanied by largely increased profits. Inasmuch, however, as the expansion of productive facilities has exceeded by a wide margin any prospective postwar needs, it has been necessary to write off certain of the expenditures over a short period and, recognizing this, the War Contracts Depreciation Board has issued the required certificates for this purpose. Although profits, after this special but necessary depreciation, are only slightly above those of the preceding year, much satisfaction may be derived from the fact that your company has been able to make a very worthwhile contribution to the country's war effort. Prewar prices of heavy steel products remained unchanged at the close of the year. As a result of the rising trend of costs, margins per unit have shown a steady decline and, in some cases, have become quite inadequate. While the greater volume of production has helped in some measure to overcome the effect of the increased costs it will be obvious that the benefits derived from higher output will cease to increase when the limit of expansion is reached."

The Major Problems

This quotation makes clear the major problems of the steel industry in so far as profits are concerned. To date rising production has just about offset rising costs but normal profit margins are things of the past. The tremendous expansion programmes have made heavy demands on furnaces.

Earnings take heavy charges for depreciation and net profits are reduced accordingly. Two of the largest companies which have just issued annual reports, Steel of Canada and Dominion Steel & Coal, showed only negligible gains over 1940. Algoma Steel's year ended April 30 but no information is yet available as to earnings. Dominion Foundries & Steel was able to double its 1940 net but that year was one of unusually low earnings. In this case a better comparison might be made with 1939 or 1938, in both cases showing the earlier years' profits well above last year in spite of record production.

Assets Grow

There are other angles, however, which make more cheerful reading for steel company shareholders. Assets are increasing due to the new plant capacity to be paid for out of wartime earnings. Working capital is being increased and debts reduced. In other words, the shareholders' equity in valuable assets has grown, how much is illustrated by the following figures for net assets per common share for the leading primary steel producers:

Net Assets Per Common Share

	1941	1940	1939
	$	$	$
Algoma Steel*	40.04	37.59	36.01
Burlington Steel	11.09	10.58	10.28
Dom. Foundries	19.48	17.75	17.80
Dom. Steel & Coal	40.04	38.36	36.64
Steel of Canada	80.64	76.34	71.67

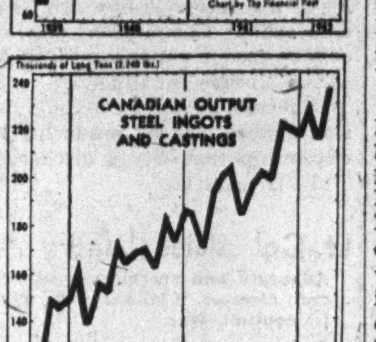
*Years ended Apr. 30.

Conclusion is that shareholders of steel companies can probably expect to find per share earnings maintained at the relatively satisfactory levels of the last couple of years so long as the war lasts. Their dividend return should also be held around current levels, justified by good earnings and generally satisfactory financial position of this group.

Higher Dividends Unlikely

Prospects for higher dividends do not appear bright. Arthur Cross, president of Dominion Steel & Coal Corp., told shareholders at the April annual meeting that, while the question of dividends on the company's class B shares would be considered, no definite commitment could be made now because of the greatly increased working capital which growing operations made necessary. This condition applies to most companies in this group.

Taxes, of course, are another factor operating to limit earnings available for shareholders and against higher dividends. Reference to the earnings table shows that all of these companies were able to report substantially higher earnings before taxes and depreciation in 1941 than in 1940. But for most of them, rising charges for these two items meant that shareholders got very little of the increased prosperity.



There is no sign that this trend will not continue for the duration of the war at least. Provincial taxation disappears under the agreements between the Dominion and the provinces but Finance Minister Ilsley still has to announce his plans for the current year. One thing certain, he will not be able to reduce the tax burden.

Postwar Position

The postwar position of the steel companies is probably causing shareholders as much concern as any of the many problems facing them. It is also one that is most difficult to answer. We have a fairly clear picture of the wartime trends but little or no clue as to what may happen afterwards.

There will be the ever-present problem of a greatly increased productive capacity and disappearance of the wartime stimulation that made it necessary. But it will be a productive capacity changed in many ways. It will have greater diversification; its plants will have many up-to-date features and all will have been placed in operating condition.

The companies are getting real assistance from the Dominion in financing the increases in capacity and the privileges for accelerated write-offs which will leave them strong financially. The actual conversion may occasion primary steel producers less difficulty than many other industries. Their markets will change and the uses to which their iron and steel is to be put. But the product itself will be the same; it will only require varied finishing and fabricating.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Feed and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	40.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
1942: Weekly Figures:												
Apr. 2	69.9	65.3	69.3	41.3	103.3	72.6	93.3	75.0	61.6	88.9	67.2	62.0
Apr. 9	69.4	63.3	69.6	42.1	100.9	73.4	94.7	75.1	61.6	88.9	67.6	62.0
Apr. 16	70.4	63.2	69.6	41.0	101.6	72.5	93.1	72.8	60.0	88.7	65.9	60.6
Apr. 23	71.3	62.7	69.6	41.1	103.1	75.5	92.8	73.9	59.6	88.6	66.0	61.0
Apr. 30	71.4	61.4	69.6	41.2	103.8	75.4	91.9	73.8	59.4	87.5	65.7	60.7
May 7	72.4	61.8	71.4	41.9	103.6	73.9	93.1	74.7	59.6	87.7	65.9	61.1

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 12	82.81	64.17	63.92	16.24
May 11	82.31	63.16	63.34	16.20
May 9	81.81	61.96	62.59	16.11
May 8	81.23	61.65	62.25	16.05
May 7	80.89	61.73	62.03	16.05
May 6	80.89	61.78	62.02	16.05
Month ago	81.41	63.32	62.37	16.51
Year ago	87.76	96.67	60.79	17.26
High 1942	93.50	83.71	71.01	18.86
Low 1942	79.85	61.04	61.29	16.00

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
May 12	41.2	56.3	51.3	58.48	39.01
May 11	41.4	56.1	51.2	58.47	37.65
May 9	40.6	56.0	50.9	57.76	37.81
May 8	40.7	55.9	50.9	57.76	37.98
May 7	40.1	55.5	50.4	57.33	38.30
May 6	40.2	55.4	50.3	57.31	38.20
Month ago	40.4	55.9	50.7	58.03	37.77
Year ago	43.4	52.6	49.7	60.39	73.24
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	39.6	55.0	50.0	57.31	36.94

Corporation Bonds

Sixteen representative Canadian corporations show reduction in funded debt of 30% over the past eleven years.

During the same period, earnings available for bond interest and depreciation increased by 100%.

Definite offerings of carefully selected corporation bonds will be furnished upon request.

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Wood, Gundy & Company
Limited

A top flight consumer market

Always Canada's richest consumer market, the Toronto area has taken on added value with its constantly increasing payrolls. This has not meant, necessarily, that Toronto buyers are throwing all of their money around on unnecessary purchases—as War Loan figures recently proved. A major part of their buying is of replacements made necessary by a depression period in the not too distant past. The most direct way to this consumer market is through daily newspapers, and

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building

~~$10,000~~ Now $6,920 ~~$5,000~~ Now $4,000
~~$2,500~~ Now $2,225

Getting Along On Smaller Incomes

The Family Man's Position:

"I have no kick on what the Government needs of my income to win the war. My problem is to get along on what is left without neglecting the future welfare of my family. Since I've been forced to revise my budget, I'm more dependent on life insurance than ever."

The London Life meets the needs of those who have to get along on smaller incomes by low premium plans containing special Interchange privileges. For example, a man age 30 could purchase $10,000 Earning Power 15 Year Term insurance for a yearly premium of $96.50 (less annual dividends). Five years later he could use the Interchange privilege to advantage and obtain Ordinary Life or Endowment insurance.

Ask one of our representatives for full information.

The reduced income figures at the top are based on Dominion Income Tax rates and National Defence Tax for married men with no dependents.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

Canadian and English Fur Processing Firms Unite

We take pleasure in announcing a reorganization of the A. F. Schnaufer Company Limited, of Toronto, Canada, in which C. W. Martin & Sons, Limited, of London, England, become associated with A. F. Schnaufer Company Limited, in the Canadian Field.

Established in 1899, the A. F. Schnaufer Company Limited has been outstanding for many years in the development of dressing and dyeing furs in Canada. The exclusive Schnaufer "Dylustra" process of fur dyeing, with particular reference to Hudson Seal, has received recognition and wide acceptance in every part of Canada from dealers, manufacturers and retailers, in, and wearers of, fur and fur garments.

C. W. Martin & Sons, Limited, of London, England, are pioneers in fur dressing, dyeing and cleaning in England. Their "AF" trade mark, appearing on all products from their famous Alaska Factory, has been a symbol of quality in England for 69 years. Established in 1873, and situated in London, the Fur Trade centre of the world, C. W. Martin & Sons, Limited, have been prominent in the many striking changes that have occurred in the Fur Industry, particularly since the last war.

The combined abilities represented in the firm of Martin-Schnaufer Limited will make available to the Fur Industry in Canada a most complete and extensive service in the dressing and dyeing of furs.

Martin-Schnaufer Limited will operate from the plant of the A. F. Schnaufer Company at 39 McMurrich Street in Toronto.

Martin-Schnaufer Limited
THOR A. SCHNAUFER, President and Managing Director. TORONTO, CANADA

Bond MARKETS

Hopes that Canadian Locomotive would make a good payment on its 6% income bonds July 1 were realized this week on announcement that a 12% payment, two years' interest, will be forthcoming. Last July a 9% payment was made on these bonds. As this development had been fairly well anticipated, trading in the bonds was not so excited as it might have been. At midweek, the price was holding well around 102 bid.

* * *

United Securities again provided a feature of substantial interest during the past week, jumping some 10 points in one day to around 86 bid. Nothing concrete has yet emerged from the reorganization ponderings of those interested in the company and, as a result, much speculation over the outcome has developed. Some quarters suggested there would be new bonds forthcoming that would carry some sort of a guarantee from Shawinigan and Montreal Power, which companies control a majority of United Securities common stock.

* * *

Gurney 5½'s of '49 have been showing more market interest lately, having worked up to around 87 bid after holding around 85 for some time. The company's operations are understood to be continuing at capacity levels.

* * *

Wood, Gundy & Co. has issued a folder containing three charts depicting the trend of Canada's national income and the position of Canadian banks. One chart shows the sub-division of Canada's national income paid out to individuals over a period of 15 years. The steady increase in total salaries and wages since 1933, the improvement in agricultural income and the stability of investment income over this period, are striking features.

One banking chart shows monthly holdings of Dominion and provincial securities held by the banks along with savings and demand deposits. Chartered banks now hold about $500 millions more of these bonds than at the outbreak of war.

The third chart shows monthly fluctuations in deposits, loans and security holdings of the chartered banks, together with total active note circulation in Canada.

Wooden Ship Drive Revived On B. C. Coast

From Our Own Correspondent

VANCOUVER. — Agitation for wooden shipbuilding on the west coast has been revived, but so far with little encouragement from Ottawa or Wartime Merchant Shipping, Ltd., which would presumably place the orders if any were placed. Hon. C. D. Howe, reiterated his stand recently, declaring that nothing had occurred to alter his position in opposition to wooden ships. Reports that H. R. MacMillan, president of Wartime Merchant Shipping, had modified his original objections to wooden ships are so far unconfirmed. West coast wooden shipyards have received a few orders for naval vessels and there is a hope that the government may place orders for the building of wooden minesweepers, such as are being successfully built in Bellingham, Wash., some 50 miles south of Vancouver.

Operators of the wooden yards say they have much unused capacity and that with the world hungry for ships as never before they should at least be given a chance to show what they could do. In the last war boom, British Columbia yards built nearly 100 wooden vessels, 69 of them steamships. Although from an economic standpoint the vessels were a costly experiment, they served their purpose at the time, carried a vast volume of freight and helped keep the supply lines open.

Developments in the Pacific war are being used as arguments by the wooden shipbuilders who claim that speedily build wooden vessels could be effectively used in carrying supplies from the west coast to Australia even though they might not be so satisfactory for service in the Atlantic.

Gasoline Rationing Plans Here and in the U. S.

	Canada	United States
Duration of present plan	Permanent; amount of unit subject to change.	Temporary; to be followed July 1 by permanent plan.
Territory affected	Entire country.	17 eastern states and District of Columbia.
Gallons per unit	Five Imp. gals. (equivalent to 6¼ U. S. gals.). Subject to change without notice.	Three U. S. gals. per unit initially to July 1.
Minimum, or A, ration	16 units Apr. 1 to June 30; initial yearly average just over 5 gals. weekly.	21 gals. May 15 to July 1.
Percentage motorists in preferred groups	20%.	66 2/3%.
Commercial users	Rationed but no limit; subject to check on abuses.	Exempt.
Type of ration	Coupon books	Card system initially; likely to be followed by coupons.

Trends IN INVESTMENT

Best sustained upward move shown by New York Stock Exchange since last December has been taking place over the past two weeks. Already it has wiped out most of the decline of the previous three weeks which took stock market averages to new lows.

Improved sentiment has hardly become very strong as yet, but watchers hunt signs that bottom may have been passed. Technically this would probably require a series of about three upward moves, each followed by reactions that tested the previous bottoms. Until this has been noted—and it would likely take three or four months at least—technical indications could hardly be considered conclusive.

Canadian stock markets have not followed New York closely. But here also the immediate trend is slowly upward. Something decisive may soon come out of the war, ending uncertainty as about the next major move.

* * *

Word of caution comes from the Bank of Nova Scotia for those disposed to place too optimistic an interpretation on continued rise in retail trade figures. It is said that these figures do not yet indicate the restriction of consumption that is in the making. General indices of the value of retail sales have continued to rise and show considerable evidence of a wave of buying in anticipation of real and apprehended shortages.

Recent high level of sales cannot long continue, the bank holds. A good many lines are becoming difficult to replace and some cannot be replaced at all. To quite a considerable extent, Canadians have been living on inventories.

Howard Smith Units Expand

From Our Own Correspondent

MONTREAL.—Canada Paper Co. and Alliance Paper Mills, subsidiaries of Howard Smith Paper Mills, are being given special tax assistance by the Dominion government as both plan developments expected to increase Canadian trade with the United States and provide foreign exchange.

Canada Paper Co. plans a $188,000 plant extension to be devoted mainly to export trade, which will maintain a business providing $335,250 in United States funds annually.

Alliance Paper Mills proposes a $300,000 extension to its sulphite mill at Merritton is expected to provide $211,000 annually in U. S. trade.

The companies will be granted special depreciation allowances in computing taxes.

Bond Sales

La Baie de Shawinigan

A bid of 99.10 entered by L. G. Beaubien & Co. Ltd. was accepted by La Baie de Shawinigan for a $35,000 bond issue, carrying interest at 4% and maturing in series for 20 years.

Name W. A. Mather To C. P. R. Western

W. A. Mather has been appointed new C. P. R. vice-president in charge of lines west of Port Arthur, with headquarters at Winnipeg. Mr. Mather comes to his new post from his previous position of general manager of western lines and succeeds W. M. Neal, who has been elected vice-president of the company with headquarters at Montreal.

W. A. MATHER

Succeeding him is Horace C. Grout. Mr. Grout has been assistant to the vice-president stationed at Montreal. Hereafter Mr. Grout's headquarters will be in Winnipeg.

Market Opinions

Slow rise of stocks for the past two or three weeks has started market students on a search for signs that the bottom has been seen.

* * *

Barron's, N.Y. (The Trader)—What the market has feared most, and the effect of which it has been attempting to appraise for nearly two years, has been the involvement of the United States in the war and the result and impact upon business income. Therefore, the new tax bill is the most potent speculative force, and from its final text the stock market will probably take its bearings for some time. Nothwithstanding a final tax bill may not become law until midsummer, the trend of legislative thought in Washington warrants a sanguine view of corporate profits and dividends and equities.

Lopping Off Many Foods From Subsidy List

Long list of items declared ineligible for subsidy by the Wartime Prices and Trade Board recently does not appear to hit many major goods. Most are food items with the most important apparently to be taken care of through direct purchase by Commodity Prices Stabilization Corp. rather than subsidy to individual importers.

Declared no longer eligible for subsidy, the Commodity Prices Stabilization Corp. has also announced that all future imports of coffee will be handled by it directly. Raisins are in the same category. Supplies normally come from California and Australia. High California prices now leave us largely dependent on Australia.

Controversial grapefruit juice, one of the earliest to get a subsidy, disappears from the list. Fruit juices and syrups are now declared ineligible. Canada normally buys the whole of Trinidad's grapefruit juice production. The new order will not prevent carrying out existing commitments. Contracts have already been placed, it is stated, for purchase of supplies of grapefruit juice for the balance of the year.

Cocoa Beans Off List

Cocoa beans cannot now be subsidized. How this will be handled is not known at present but it is possible that imports will be handled directly by the corporation.

Prunes are still eligible although other dried fruits are not. At present a subsidy of 3½ cents a lb. is being paid on California prunes and any further price increase would make imports difficult unless the subsidy was increased. Prunes have been classed as an agricultural product for price control purposes in the United States while grapefruit juice has not. The former can still go higher but the latter is fixed.

Spices are generally declared ineligible for subsidy with the exception of pepper.

Imports Small

Many of the other items never came into Canada in large quantities. Rolled oats, macaroni, matches, vermicelli for example, need not be imported as we can supply our own needs.

Amusement devices, musical instruments, sporting goods, jewellery parts are no longer eligible for subsidy.

Certain other items such as uncleaned rice, hatters' fur, feathers, watch movements and parts, salt and chemicals for use as production goods can now only be eligible for subsidy when prior approval has been obtained.

Personnel Manager
Wishes to Locate in Toronto

A SUCCESSFUL and widely experienced personnel manager recently located in Montreal now is moving to Toronto for family reasons. As from June 1st will be free to accept a position with a company requiring his special qualifications. Not subject to military call. Holder of Master's degree in Personnel Administration, New York University.

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Company Reports

American Cyanamid

American Cyanamid Co. reports net profits available for its common shares in the three months ended March 31, 1942, equivalent to 38 cents a share compared with 39 cents a share in the corresponding quarter of 1941. Net operating profit is up about $2.5 millions but heavier charges and taxes leave net income practically unchanged.

Consol. Income and Surplus Account
Three Months Ended March 31

	1942 $	1941 $
Operating profit	7,750,957	5,220,012
Add: Other income	258,354	192,494
Total earnings	8,009,311	5,412,506
Less: Deprec. & depl.	1,401,919	1,176,842
Interest	215,927	105,023
Income & E. P. taxes	4,133,782	2,021,834
Research & develop.	879,756	738,302
Conting. prov.	250,000	250,000
Net profit	1,127,927	1,120,505
Less: Pref. divds.	138,336	106,857
Net avail. for com.	989,591	1,013,648
Earned per share:		
Common	$0.38	$0.39
Paid	....	....

E. L. Ruddy

As manufacture of metal signs over one square foot in area is prohibited from May 31, neon sign manufacturing division of E. L. Ruddy Co. will be obliged to suspend operations except for maintenance of existing signs on contract and manufacture of a small amount of business not requiring steel, states J. R. Robertson, president, in presenting the annual report of E. L. Ruddy Co.

In 1941 the company had net earnings of $198,014 compared with $186,480 in 1940. After payment of interest and income and excess profits taxes, the balance of $94,157, although the management considers it insufficient for the purpose, has been transferred to depreciation account.

Funded debt has been reduced to $448,500 from $479,800 and an additional $5,000 of the bonds are held by the company as an investment. Preferred dividends are in arrears from Dec. 1, 1931, or $69.50 a share at Dec. 31 last.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	173,919	179,858
Add: Other inc. (net)	24,095	6,622
Total earnings	198,014	186,480
Less: Depreciation	94,157	96,859
Interest	30,939	34,466
Income & E. P. taxes	72,918	69,374
Surplus for year	nil	*14,219
Add: Prev. surplus	117,556	57,280
Tax adjust.	11,291	......
Profit assets & invest.	60	82,951
Insur. & misc.	......	1,170
Less: Tax & other adj.	5,372	9,626
Earned surplus forw'd	123,535	117,556

*Deficit.

Working Capital		
Current assets	464,755	409,929
Current liabilities	180,947	194,215
Working capital	283,808	215,714

Tuckett Tobacco

Tuckett Tobacco Co. reports net profits in the year ended March 31, 1942, equivalent to $10.16 a share on its common stock against $13.24 a share in the previous year. Dividends paid on this stock, all of which is held by Imperial Tobacco Co. of Canada, were $9 a share last year against $12 a share the year before.

Balance sheet shows few changes of importance. Cash is up to $319,982 from $269,067 and inventories to $3.4 millions.

Income and Surplus Account
Years Ended March 31

	1942 $	1941 $
Operating profit	580,026	657,430
Add: Other income	128,759	131,113
Total earnings	708,785	788,543
Less: Exec. remun.	35,746	38,661
Directors' fees	1,055	960
Legal fees	149	357
Depreciation	56,345	55,024
Income & E. P. taxes	221,497	226,436
Net profit	393,993	471,105
Less: Pref. divds.	140,000	140,000
Common divds.	225,000	300,000
Surplus for year	28,993	31,105
Add: Prev. surplus	2,542,755	2,536,409
Less: Inc. tax adjust.	......	24,759
Earned surplus fwd.	2,586,638	2,542,755
Earned per share:		
Preferred	$19.69	$23.56
Paid	7.00	7.00
Common	10.16	13.24
Paid	9.00	12.00

Working Capital	$	$
Current assets	3,748,364	3,483,159
Current liabilities	714,723	568,834
Working capital	3,033,641	2,914,325

Dominion Gas

Net profit of Dominion Gas & Electric Co. in 1941 declined to $237,587, in U. S. currency, from $283,410. Operating revenues of the company's subsidiaries, including Canadian Western Natural Gas, Light, Heat & Power, Northwestern Utilities and Canadian Utilities, at $4.7 millions compared with $4.6 millions in the previous year. This increase, however, was more than offset by a gain in operating expenses, depreciation and taxes.

Natural gas output in 1941 was 12.7 million cu. ft. compared with 11.7 million in 1940. Electric output was 28.3 million kw.h. compared with 24.6 million in the previous year.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating Revenues:		
Natural gas	3,391,935	3,309,665
Electricity	1,396,964	1,304,051
	4,788,899	4,613,716
Less: Deprec. & amort.	427,897	404,866
Oper. exps., maint., etc.	2,670,687	2,570,771
Net oper. revenues	1,690,315	1,638,079
Add: Other income	38,412	39,242
	1,728,727	1,677,321
Less: Subsid. charges.	503,924	507,163
Canadian taxes	543,810	407,785
Exchange adjs.	107,933	116,385
Net income	573,060	645,987
Less: Dom. Gas & Elec. oper. exps.	61,130	78,235
Int. charges	274,342	274,342
Net profit	237,587	293,409
Less: Pref. dividends	175,000	175,000
Com. dividends	......	39,107
Surplus for year	62,587	79,303
Add: Prev. surplus	700,928	722,523
Profit sales secs.	40	13,357
Adj. minority int.	269	1,458
Elim. prior chg.	13,005	......
Less: Invest. depr. res.	4,712	......
Stock commission	6,757	......
Subsid. surp. liquid	......	9,287
Income tax adj.	......	26,234
Prior yr. credit adj.	......	63,716
Investigation exp.	......	12,053
Loss on real estate	......	3,757
Exchange adj.	......	686
Surplus forward	768,751	700,928
Times Fixed Chgs. Earned:		
Before deprec.	3.43	3.55
After deprec.	2.00	2.07
Earnings per Share:		
Preferred	$9.50	$11.74
Paid	7.00	7.00
Common	0.36	0.76
Paid	nil	0.25

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Mtl. L. H. Pr.	*3½%	1956	June 1	102½
Inter-C. Bak.	†5½%	1948	July 1	101½
Int. Paper, A, B	5%	1947	June 1	▲
Star St. Ldry.	6½%	1943	July 15	101

*$169,000. †$97,000.
▲Tenders for $116,789.

Bond Tenders

12 noon, May 14, Canada Treasury Bills—$45,000,000, dated May 15, 1942, payable Aug. 14, 1942.

This is Real Protection--

Under a Wellington Personal Property Floater Policy, you can protect yourself and all members of your family against loss on Household Contents and Personal Effects caused by fire, burglary, mysterious disappearance, damage and practically every other imaginable hazard—anywhere in the world. Wherever you or any member of your family may go—to the summer cottage, on trips, to parties—your Personal Property Protection goes along to guard against loss on Personal Effects. And not the least of the attractions of this convenient all-risk policy is the fact that it actually costs less than the circumscribed protection of separate policies covering similar hazards.

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The Editorial Page . .

We Cannot Pay for Blood

No country can set a price on blood and the Dominion government in the payment of our armed forces only attempts to give spending money to those who are prepared to die for democracy, and to make generous provision for their dependents. In both respects our record compares most favorably with any of the united nations. Pay and allowances of the Canadian fighting forces is more liberal than the current scale in the United States and of all our allies, only Australia leads Canada.

A Canadian private, married and with two children, receives a total in pay and allowances of $3.25 per day when living in quarters, a dollar more if living at home or out of quarters. On a yearly basis this is at the rate of $1,182.50 and $1,547.50 respectively. In addition he receives clothing, medical and other perquisites, gratis. If this private works up to an ordinary sergeant, as thousands of them have the opportunity of doing, his yearly remuneration is stepped up by about $300.

The lowest rank of commissioned officer, a second lieutenant, married and with two children, receives almost $2,400 per year when living in quarters, almost $3,000 when living out. A colonel with the same responsibilities draws $5,388 and $6,408.50 respectively. All of these are basic rates and do not include special allowances for special duties.

Such returns are not niggardly. For many of those men in offices on headquarters duties in Canada and who are not subject to any more risk than ordinary civilians, the remuneration plus perquisites is higher than what they actually earned prior to joining the forces.

For the others, those going on active service, there is no attempt to compensate for the risk. That is something that cannot be measured in dollars and cents. It is an outright sacrifice offered to defend democracy. All that any government can hope to do is to offer provision for the dependents of its defenders and, after the war, help the survivors to adjust themselves to civilian life.

What Does Stevens Want Now?

Hon. H. H. Stevens is again urging that we use "the credit machinery of Canada" to ensure that "men willing to work shall have the God-given liberty to earn a livelihood."

He points out that between 1931 and 1938 commercial loans by the banks of Canada fell off by over $400 millions while bank holdings of government securities increased by $700 millions.

He says:

> "You cannot remove over $400,000,000 from the commercial life of a country like Canada without experiencing some form of economic shock.
>
> "Nor can you freeze in the bank vaults an additional $700,000,000 in form of government bonds without doing violence to the ordinary requirements of commerce."

Mr. Stevens seems to think that the banks of Canada deliberately refused, between 1931 and 1938, to make commercial loans, preferring instead to close up their customers and hoard their assets in government bonds.

The fact is, of course, that the chartered banks make their earnings chiefly out of commercial loans. The more of their depositors' money that they can lend to sound commercial ventures the greater the return to their shareholders. But in a period of depression, such as that which followed 1931, the demand from business concerns for commercial loans falls off; the banks cannot force loans upon borrowers unwilling to undertake new ventures or unable to expand their business. Mr. Stevens was on sounder ground a few years ago when he said, "The banker, instead of bossing industry, should regard himself merely as a servant of trade." As a servant of trade, banks must make those loans which business needs. They cannot compel people to borrow money that they cannot use.

That raises a very important problem, the one Mr. Stevens must have in the back of his mind; the function of government, through central banking machinery, in "creating" credit during a period of depression; of expanding the volume of money in the country. Credit was created in Canada in the period of depression. It is because credit was so created that the banks found themselves with $700 millions of government bonds in their vaults. By inflationary (or perhaps "reflationary") bond sales, without a parallel increase in public saving, the government created deposits on one side of the banking ledger and bond holdings on the other. The results were effective proof that government monetary action of this kind does not create commercial borrowing demands in similar volume.

Mr. Stevens cannot have it both ways: he cannot ask that the credit machinery be used to enlarge the volume of money in the country and then accuse the banks of "freezing" government bonds in their vaults when government and central bank policy forces $700 millions additional of government securities upon them. As business fell off—for reasons that had almost nothing to do with monetary policy in Canada—and as commercial loans fell off, the government merely increased or at least maintained, the volume of money in the country by deficit financing through the banking system.

With Mr. Stevens' ideal of providing for all men the liberty of earning a livelihood, there will be complete sympathy. All nations are today thinking of that problem. It is the one objective in the minds of every economist, every banker and every statesman.

But the broadest thinkers recognize that a world without unemployment, a world without want, cannot be shaped with the single, simple tool of monetary policy. Unemployment can be no more ended by use only of the "credit machinery of Canada" than an airplane engine can be built with only a screw driver.

Mr. Stevens is cagey about detailing the programme he has in mind. In the manifesto of his Reconstruction Party in 1935 he was equally skilful in avoiding a plain statement of his credit policy. He merely promised that his government, if and when elected, would study "a number of important and well considered plans." This pious generality gives point to another statement once made by Mr. Stevens: "Idealistic theories are pleasant things to trifle with but some of us are more anxious to find out how to apply these theories."

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

Tax Exemption Can't Last

There is discussion in Quebec of the formation of some form of provincial hydro-electric power system. Apparently the major objective of the government is to save Quebec power consumers the corporation income taxes now paid by Quebec power firms to the Dominion government. The canny Quebeckers feel that they are paying out millions of dollars a year in Dominion taxes which the power consumers of Ontario escape. Under a plan of public ownership the tax "savings" could be used to pay off the debt on Quebec's power enterprises, it is felt.

In the West, the wheat pools have the same idea. They operate as business enterprises, following the practices of the private line elevator companies, even to the extent of having shareholders. They are no longer co-operative but because they label themselves co-operatives they do not pay any Dominion corporation taxes.

There are numerous public ownership and "co-operative" companies in other fields—insurance, transportation, in fact almost every conceivable field of business—which are likewise evading their fair share of the cost of the war and of Dominion government services.

The Dominion seems willing to permit a certain amount of such tax evasion. But as the group of corporation taxpayers narrows and the number of tax-free enterprises increases, a situation will be reached wherein Dominion government revenues are gravely imperilled and gross injustice is being done to the tax-paying remnant.

It may be taken for granted that when that stage is reached—or before—the Dominion tax-collectors will review the situation and draft a new form of corporation income tax which will bring all business firms—no matter how they are run—into a common scheme of taxation levying with equal justice upon all.

This might take the form of a sliding scale of taxes on gross revenues or of an arbitrary definition of "profits" for tax purposes. At that point, the public ownership and co-operative forms of business will lose some of their present appeal.

The flight to the tax-free area of business can provide only temporary escape from the realities of the cost of governing this country. The larger the number of groups which try to get in on the tax-exemption racket the quicker will the tax collectors of Canada seek out and enforce the remedy.

We Can Take It

By the end of this year the people of North America will be 50 to 75% busier than in 1929 but the supply of civilian goods will not be greater than in the depth of the depression in 1932, Leon Henderson, U. S. controller of prices and civilian supply told a Montreal audience last week. That in a few words describes the situation we must face for the duration of the war, feverish activity with no material reward. But the people of North America can and will face it. As Mr. Henderson further remarked:

> "We lived somehow in 1932, though the standards we had to take were not of our own choosing. This time our reduced standard of living will be of our choosing, for the greatest thing a civilian can have is what we are fighting for."

Mr. Henderson, it was true, was speaking largely for his own United States, but conditions south of the border are almost identical with our own. We have led in adopting certain restrictions, in sacrificing some consumer goods and services, but the United States is rapidly catching up. In a few months for all practical purposes similar conditions will prevail in both countries.

Editorials in Brief

German news-gathering agencies in the United States were closed promptly when our big neighbor came into the war last December but since then the Nazis have been doing very well by liberal quotations from the Hearst and McCormick newspapers. Hardly a day passes but excerpts from some of these are not quoted approvingly and without revision by the German and German-controlled press and radio.

* * *

"At last we got there first" runs much of the editorial comment on the Madagascar incident in Canadian and American newspapers. Either our memory is short or we are still suffering from an inferiority complex. True the United Nations arrived with too little and too late on several memorable occasions but on the total score our record is not unfavorable. The quick forestalling moves of the British in Syria, in Iraq, in Persia and in Abyssinia should not be forgotten. We have not yet reached the stage where we can afford to sit back to pat each other on the back but neither, thank God, can Hitler.

* * *

The United States paid a sincere tribute to Canada when it adopted our price ceiling plan but Washington should understand that this is only one part of our programme to fight war inflation. Another and vital part embraces record taxes, war savings and wages control.

Spending power in the United States this year, it is estimated, will exceed total available supply of consumer goods by $17 to $21 billions. This is the inflation gap and unless drained away in taxes and government loans, observers fear that it will explode through the various ceilings, creating bootleg markets in every item that is restricted.

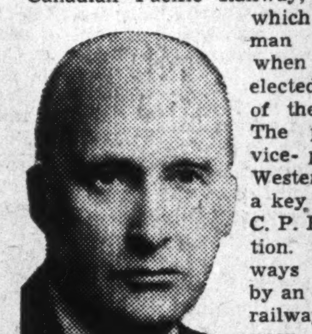
—Cartoon by Grassick.

AND THIS IS ONLY A START

Post-Scripts . . . .

C. P. Keystone

Following traditional practice, W. M. Neal, vice-president of Western Lines, has been appointed vice-president of the Canadian Pacific Railway, a position which D. C. Coleman vacated when he was elected president of the company. The position of vice-president of Western Lines is a key post in the C. P. R. organization. It has always been held by an outstanding railwayman, for upon him rests the basic responsibility of administering the C. P. R.'s vast organization in the western provinces. Billy Neal filled the post with exceptional ability; and for that reason, if no other, was slated for the senior operating position when Mr. Coleman succeeded Sir Edward Beatty.



W. M. NEAL

It is almost axiomatic in the Canadian Pacific that if a young man wants to get ahead he must know shorthand and typewriting. Mr. Coleman got his start that way, so did Mr. Neal. He joined the company's services in 1902 at the age of 16 as a clerk in the Toronto superintendent's office. Two years later he went to Winnipeg as stenographer to the superintendent of transportation. Later he became a travelling car checker and in 1908 chief clerk to the superintendent at Souris, Man.

When the last war broke out Mr. Neal was acting superintendent of car service at Montreal. The Canadian Railway War Board "drafted" him in 1917 in the important capacity of general secretary to assist in co-ordination of rail movement of troops and supplies to the eastern seaboard. His abilities in that exacting job gained him wider recognition. After the war he rejoined the company and was given greater responsibilities. In 1927 he was made general manager of Western Lines, with headquarters in Winnipeg, and became a vice-president in 1934.

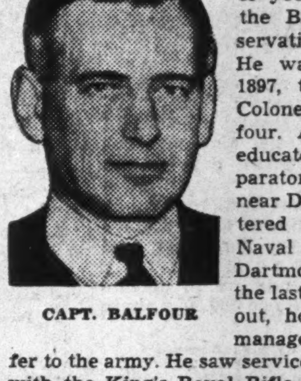
Billy Neal is known throughout the system as a railwayman. He can be tough when the occasion demands. His primary concern is to see that the railway operates smoothly and efficiently. At the same time he has managed to take a keen and active interest in the Canadian Forestry Association, Navy League of Manitoba, Lakeside Fresh Air Camp, Winnipeg General Hospital and other public organizations. In the field of transportation he accomplished much of the organizational work in connection with the newly created Canadian Pacific Air Lines of which he is vice-president.

In returning to Montreal Mr. Neal will not feel he is a stranger. Over a quarter of his 40 years' service with the company has been spent at headquarters in the Windsor Station. With that experience, together with his long sojourn in Winnipeg and other points on the system, he brings to his new post a background which eminently fits him for the position of vice-president of all lines.

* * *

Britain's Air Spokesman

Captain Harold Harington Balfour, M.C., who will deputize for his chief, Sir Archibald Sinclair, British Air Minister, at the United Nations Air Conference at Ottawa next week, is counted one of the brighter young men of the British Conservative party. He was born in 1897, the son of Colonel N. H. Balfour. After being educated at a preparatory school near Dover he entered the Royal Naval College at Dartmouth. When the last war broke out, however, he managed to transfer to the army. He saw service in France with the King's Royal Rifle Corps, but after a year secured admission to the Royal Flying Corps. He emerged from the war with the reputation of being a daring airman, winner of the M. C. and bar. He continued with the Royal Air Force for five years after peace and enlarged greatly his experience of aviation.



CAPT. BALFOUR

Having married Diana Blanche Harvey, daughter of Sir Robert Harvey, he retired from the air force to devote his energies to business and some journalism. But by this time a political career had become his real goal and in 1924 he unsuccessfully contested the Stratford division of West Ham, a London borough. He had to wait until 1929 for a safe seat in Kent, which he still holds.

In his early days in Parliament Balfour was something of a rebel. He did not exactly please the high mandarins of his party when in his book, "An Airman Marches," he suggested that men of character and initiative were not desired in the ministerial ranks. One of the offending passages in this book ran as follows:

> "The third and more usual method of advancement in Parliament is via the Whips' office, through loyalty to the party machine, attention to parliamentary duties, avoidance of any form of criticism or embarrassment of the leaders and the constant displaying of what may be termed the cricket field and public school tradition."

But young Captain Balfour was made to understand that the outpouring of such rebellious sentiments would not promote his political advancement and so he lapsed into full regularity and did useful service for his party in the House of Commons as an authority upon aviation problems. For this in 1937 Mr. Chamberlain rewarded him with the post of Parliamentary Under-secretary for the Ministry for Air. His long experience of aviation and his organizing talents enabled him to fill it with such success that when Mr. Churchill took over in 1940 he retained Balfour in his post.

Captain Balfour is small in stature and owes little to an impressive personality. But he is a very industrious junior minister who does not spare either himself or his subordinates when some job has to be accomplished and he has reinforced his practical experience of flying with the acquisition of expert knowledge about the construction of airplanes.

There are, however, more popular figures in the British House of Commons. The Labor party regards him as one of the reactionary "diehard" Tories. But at the age of 45 Capt. Balfour has achieved an important place in the hierarchy of his party and, unless some misfortune befalls him, in due course he ought to become one of its leaders. He does not come to Ottawa as a stranger. In 1939 he played a considerable part in the conferences which led to the Commonwealth Air Training Plan. His favorite recreations are flying and fishing.

* * *

Roving Bluenose

Although only 37, J. G. ("Jerry") Godsoe, newly elected president of the Canadian Club of Toronto brings to that position a wealth of experience gained in numerous positions of responsibility. He is an executive of the Toronto branch of the Canadian Institute of International Affairs, was honorary secretary of the Toronto Canadian Club and headed its membership campaign last year and is a member of the Court of Referees under the Dominion Unemployment Insurance Act.

J. G. GODSOE

Three years ago he was made an assistant general manager of the Confederation Life Association. He has served on various committees of the Canadian Life Insurance Officers Association and at present is chairman of the committee on group sickness and accident insurance and of the committee on social insurance.

Mr. Godsoe is a bluenose by birth and education having been born at Halifax and graduating from Dalhousie University in arts and law. He began his law practice in Halifax in 1928 with the law firm in which Hon. J. L. Ralston was formerly a senior partner. Later he relinquished his law practice to become private secretary to Cyrus Eaton, native Nova Scotian, who became a leading industrialist and financier of the United States. In 1931 he joined the Confederation Life becoming assistant solicitor in 1934 and executive assistant in 1936.

In politics Mr. Godsoe has been described as a liberal of the Maritime variety. He is at present in Mexico on business for his company.

* * *

Sayings of the Week

"No government can provide a free press."—*John Atkins, printing administrator.*

* * *

"The real parasites of India are the 14,000,000 head of Sacred Cows."—*M. P. Tupeur, Toronto.*

* * *

"'Soldier of production in the front line of defense!' Like hell! Fifty-two to 85 cents an hour, with time and half and double time, adds up to a lot more than $39 a month and bullets."—*Ralph P. Bell, Director-General for Aircraft Production.*

* * *

"I am not prone to make predictions, but I have no doubt that British and American seapower will grip and hold the Japanese and that overwhelming air power, supported by covering military operations, will lay them low."—*Prime Minister Churchill.*

* * *

"In the German and Italian peoples themselves there is a growing conviction that the cause of Nazism and Fascism is hopeless — that their political and military leaders have led them along the bitter road which leads not to world conquest but to final defeat."—*Franklin D. Roosevelt.*

* * *

"This is a war of transportation. No matter what else we build, or how great the quantities, no matter how many men we train, no matter how many defense bonds we buy, or how heavy our taxes, we cannot win this war without ships, ships built in time." — *Rear Admiral Emory S. Land, Chairman U. S. Maritime Commission.*

Stop Me If . . .

The latest Washington story is that they have a very simple and rapid test for stenographers there now. The candidate for a job is ushered into a room which has in it a washing machine, a typewriter and a machine-gun. If the girl recognizes which is the typewriter, she's hired.

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Other People's Views . . . . . .

The Canadian Editorial of the Week

Problem of French Canada

Edmonton Journal

French Canada has chosen to travel a lonely road; it cannot expect the remainder of the country, otherwise united, to slacken its pace in its passionate desire to prosecute the war to the fullest possible extent, nor to accept the reservation of a minority in this regard.

On the other side of the picture is the fact that English-speaking Canada will not tolerate much longer a condition in which it finds itself divided into two major and some lesser political camps, with Quebec's negative attitude the dominant factor. English-speaking Canada can and will unite to form a Union government—with co-operation from Quebec, it is to be hoped, but without it if necessary. Either Mackenzie King will take the lead in this direction or another man will. The movement is inevitable.

* * *

The Mail-box

Diversion of Wheat Acreage

Editor, The Financial Post:

I note in your front page editorial of April 18 the following comment:

"Mr. Gordon performed a necessary but unpalatable public service that should have been performed by the Dominion Minister of Agriculture months ago."

This is a comment on the further statement:

"With refreshing directness, Donald Gordon told western farmers this week that they should grow less wheat and more of the food really required by Britain and her allies in war."

I am sending you excerpts from some of my speeches, together with pamphlets, paid newspaper advertisements, and posters, which were published or posted years, months, weeks or days before Mr. Gordon made any reference to the matter. As a matter of fact, I have been strongly criticized in Toronto papers for the posters put out in 1941.

As a result of our efforts we have made the greatest proportionate decrease in wheat acreage made in any country in the world, with a corresponding decrease in production of wheat and increase in the production of livestock and feed grain.

JAMES G. GARDINER.
Minister of Agriculture, Ottawa.

* * *

Publicizing Our War Effort

Editor, The Financial Post:

A great deal is being said in some quarters today about Canada's failure to publicize her war effort. The strange thing is that many of the voices so raised are the very ones that have all along been loudest in disparagement and criticism of that very war effort.

These, of course, are a certain class of very vocal politicians whose aim was to impress all hearers with the idea that nothing worth while was being accomplished under the present leadership and that the "best brains" were lying about unused, with the result that Canada's war effort was a poor affair, unworthy of an offshoot of the British Empire. For such as these are very loath to emphasize Canada's status as a dominion, a nation within a Commonwealth of Nations.

One would imagine that even only a minimum of brains would be needed to realize that this storm of disparagement would be cake for Hitler and would be taken as fact by a great body of American readers and even some in the U. K. The fact is that partisan fury blinds its possessors to the danger from, and the dastardliness of such propaganda.

There are those in internment camps today who have done less to injure our war effort and our prestige than some of these howlers in and out of Parliament, whose efforts have been devoted to hanging back, dragging down, and kicking, when we need co-operation as we never needed it before. Worth-while Canadians of all political faiths have deprecated this attitude and practice to little avail.

Now money has to be spent to undo the harm done by this class of cheap political trouble-maker. Certain sections of the press are as guilty as individuals in this matter, and the traditions of Canadian newspaperdom are being sadly lowered in consequence.

JANET CARMICHAEL.
Toronto.

* * *

What the Papers Are Saying

Successful Career Ended

The Globe and Mail, Toronto

The death of H. V. Tyrrell, well-known vice-president and managing director of the MacLean Publishing Company, ends a career which may be considered typical of the best in Ontario's past half-century. When he became an apprentice printer on the Bothwell Times of his native town the horizon of youth's ambition was what personal industry and ambition made it, but with distinct limitations, compared with today's big business and more complex organization. It was a time of self-reliance and individual enterprise out of which came many of the leaders in the subsequent active decades. This product of small Ontario communities became notable in Toronto and other important centres, and accordingly we say Mr. Tyrrell's career was typical of an era.

As Others See Us

Merging Air Training

Trail (B.C.) Times

The Financial Post writes commendingly of Prime Minister King's announcement that there was the probability of a merging of the various air training programmes under way in Canada and in the United States. The Post believes this to be a logical and sensible move.

All military strategists have agreed that an abundant and steady flow of trained air crews is essential for victory. The empire air training plan has done an amazingly good job in developing the training facilities for turning out those crews in Canada. The point now is whether the steady flow of man power to be developed can be maintained.

The Financial Post believes that the strongest argument for the merger would be the possible saving in time, a commodity of which the United Nations have an alarmingly limited supply. If it would result in twice as many trained American air crews six months hence, then that result would go a long way in offsetting any disadvantages.

* * *

People Are Ready

Midland (Ont.) Free Press

The leadership we have been demanding is coming. Canadian men and women are to be regimented into the war effort. Plans are being definitely laid for the full use of all our man and woman power.

Good. That is as it should be.

The people are ready for it. They have all along been ahead of the government. They have been ready for any sacrifice they have been called upon to make, except, of course, that thoughtless percentage who look upon every war restriction as something to beat. Most of us have been willing to do a great deal more, and we have fretted because the government we elected to direct us has seemed to be waiting for us to do the leading.

The Financial Post is right when it says there is nothing seriously wrong with the general public in either the United States or Canada. "The tougher the demands of war upon the civilian population, the keener will be their response."

* * *

In the Job Shuffle

Acton (Ont.) Free Press

The magnitude of the recently announced selective service plan is vividly portrayed in a recent issue of The Financial Post under the heading "The Biggest Job Shuffle in Our History." The Post puts it in clear terms but let's see what it means to a town like Acton.

We have here two hundred in the armed forces and in a year there would be six instead of four Canadians as at present. Where there are five out of every hundred in war industries now there will be six within a year. The twenty-two per hundred Canadians who are providing civilian goods will be reduced to twenty-one within a year. The four Canadians of every hundred who operate their own business will be reduced to three. Apply those figures to your own community and you will realize that Canada is due for a big job shuffle within the year.

"Some say that the best thing that could happen here (London) would be a renewal of bombing and credit Herr Hitler with the shrewdest move of all in giving the British people nothing to complain about except the ineptitude of their own chosen leaders."—*Raymond Daniel, London Correspondent to N. Y. Times.*

Dehydrated Foods — New War Job

Five Test Plants Help to Beat the Ship Shortage

By K. R. WILSON

OTTAWA.—A quick decision, now, by Great Britain could ensure millions of pounds of tasty, vitamin-rich vegetables for the fighting services and possibly for British tables during the winter of 1942-43.

If someone, right away, could give a green light to Canada's new-born venture into vegetable dehydration, the United Nations might find themselves with a valuable additional source of food supply during the unpredictable months of next winter.

Last December, Canada found that Britain was interested in purchasing up to 1,000 tons of dehydrated vegetables. Since no country could convert 15 million pounds of fresh vegetables into this form overnight, the government took immediate steps to see what could be done to fill such an order. Five test plants in various parts of Canada were commissioned to install new equipment and to try out on a commercial scale the important experiments which had been going on at Ottawa and elsewhere to improve and cheapen the earlier processes. Ottawa put up something like $400,000.

The results, just now beginning to come to light, indicate that a very superior product, edible, tasty and retaining 50 to 75% of the original vitamin content can be turned out. A demonstration was held at Ottawa a few days ago to which various interested officials and commercial "prospects" were invited.

No Order as Yet

Unfortunately the British order has not materialized—as yet. A research expert (Dr. C. S. Hanes of the U.K. Department of Scientific and Industrial Research) visited Canada late last year to exchange technical information and to investigate the possibilities of improving the palatability, vitamin content and keeping qualities of this product. He has now returned to Britain. As a result of his mission it is hoped that business may develop.

Meanwhile, most of the product turned out since the new plants got under way a few months ago is being purchased by the Canadian Armed Services as a reserve ration. Other buyers (commercial) are interested in view of the approaching shortage of cans and the possibility of using this food in camps and settlements where fresh vegetables are difficult if not impossible to get.

Most important at the present juncture would be, of course, a substantial order from Great Britain. Were this forthcoming immediately, it would enable Canadian plants to place contracts in advance, ensure sufficient supplies of fresh vegetables being grown and permit these vegetables to be processed as they come out of the fields—a procedure which makes possible a far better product than if the vegetables are dried after they have been in storage.

Offensive Raises Need

The probability of an offensive campaign against Germany this year (discussed in The Financial Post last week) and the certainty that such a campaign would reduce even further the ocean tonnage available for foodstuffs, gives added point to the need for an immediate decision if this development (which Canada is now prepared to handle on a considerable scale) is to be carried out expeditiously and with success.

Canada's five new and extended dehydration plants are capable of handling (on average) about 30 tons of raw vegetables a day—about 500 tons a year, based on the relatively short number of days per year at which operation is commercially profitable. If present methods and machinery were extended to other plants which are anxious to convert to this type of work, the annual capacity could probably be stepped up to 3,000 or 4,000 tons a year.

Product High-grade

This could not be done overnight, but the success which has been reached in the past few months in extending laboratory methods to commercial production, indicates that a first-class product—better than this country has heretofore produced—could be obtained.

Prices, so far, are high. But when the audited statements of the five plants are available (within a few weeks) it is expected that the flat rate which the government is paying will be materially reduced. Some plants have proved their ability to produce more cheaply than others.

The plan introduced originally, was to give each firm a contract for authorized quantities of certain vegetables under a target contract which contained also a ceiling price. The success of Maritime plants in dehydrating apples with the recently developed Eidt process has been adapted with very considerable success to the dehydration of vegetables.

The Five Testers

The five plants which are now producing under government supervision are: United Fruit Co., Aylesford, N.S.; Berwick Fruit Products, Ltd., Berwick, N.S.; R. W. Graham, Belleville; Gordon Beardmore, Oakville; Bulman's Ltd., Vernon, B.C.

The Agricultural Supplies Board, of which Dean M. A. Shaw is chairman, is actively sponsoring the new development. R. W. Arengo-Jones of the Dominion Experimental Farm has been loaned to the Board for this work. Other agricultural experts associated with the work at Ottawa include Dr. W. C. Hopper, Economics Branch, Department of Agriculture and M. B. Davis, Dominion Horticulturist.

Cuts Bulk 7—1

The four vegetables now being dried most successfully are potatoes, carrots, turnips and cabbage. Dehydration reduces bulk usually on the basis of 7 to 1. The ratio with some vegetables is a little lower.

For example:—a ton of fresh potatoes should produce for table use, about 1,500 lb. after storage, peeling losses, etc. The same ton of dehydrated potatoes when dehydrated will reduce to 300 lb. and will produce an equal or greater quantity of edible product—between 1,500 and 1,800 lb. of potato for table use.

Figuring a daily ration of 12 ounces of fresh potatoes for each soldier in Canada's armed forces stationed in this country, the use of dehydrated potatoes would cut tonnage space and transportation requirements from 100 tons to 15 tons a day.

There is only about 4 to 7% of moisture left in the dehydrated vegetable under the new processes. Storage is said to be good for as much as 12 months although tests on this count are still under way. In the United States, the services are said to be ordering from 30 to 50 millions pounds of dehydrated vegetables for special rations for 1942.

The Week in Business

Final version of The Financial Post's business index for March at 168.2 is appreciably above the preliminary figure of 165.5, slightly above January and only one point below February. Outstanding gains were shown by mineral production, textiles, crop products, construction, electric power and bank debits. Manufacturing index was down, as was forestry, animal products, iron and steel and distribution.

Employment index for March is down again for all industries although manufacturing industries are appreciably higher.

Payrolls, on the other hand, continue to rise. The D.B.S. index shows a gain of 19.4% from June, 1941, while the Bank of Commerce index is up 90% above its 1937 base, with March gaining 12 points over February.

Crude oil imports in March were about 24 million gallons above the same month of 1941 and for the first quarter show a gain of 37.3%.

Raw rubber imports in March at 11.4 million lbs., were 2.7 million lbs. above March, 1941, but the first quarter's total is down 31.2% this year.

Cattle sales to yards and plants in Canada in April were 10,000 head below a year ago, although the first four months shows a gain of 14.6%.

Hog sales were higher. April is over 30,000 head above a year ago and the first four months is up 7.8%.

Wheat exports in April were six million bushels down and brought the first four months' total 11.6% below 1941.

Flour exports continue high and to the end of April this year are 61.7% above a year ago.

MONTHLY INDICES

	Apr.	Mar.	Feb.	Jan.	Year Ago
The Financial Post business index	....	*168.2	169.2	168.0	154.3
Dom. war expend. •	....	....	132.9	145.2	82.7
Dom. total revenue •	....	....	109.7	120.5	80.0
Dom. total expend. •	....	....	163.7	184.6	105.5
Retail sales index no.	....	161.8	154.8	150.9	129.3
Dept. store sales index no.	....	157.0	142.7	151.1	125.0
Wholesale sales index no.	....	154.7	136.1	132.2	125.1
Country store (% change pr. yr.)	....	+13.8	+15.3	+20.5	+5.5
Divd. payment index‡	121.4	121.4	121.4	121.3	121.2
COST OF LIVING—					
D.B.S. index	115.9	115.9	115.7	115.4	108.6
EMPLOYMENT INDEX Nos. D.B.S.—					
▪All industries	....	165.1	165.4	165.8	135.3
▪Manufacturing	....	195.7	191.2	187.1	150.8
▪Payroll (June 1/41=100) (b)	....	119.4	118.5	112.3	....
▪Payroll index (a) (1937=100)	....	190	178	185	154

		1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—						
▪Carloadings (week May 2)		66,126	61,263	1,111,423	992,330	+12.0
▪C.N.R. gross (week May 7)	$	6,548,000	5,754,000	114,487,000	95,101.000	+20.3
▪C.P.R. gross (week May 7)	$	4,880,000	4,107,000	83,146,000	66,174,000	+25.6
C.N.R. net revenue (Mar.)	$	6,423,606	4,932,055	15,225,159	10,691,565	+42.4
C.P.R. net revenue (Mar.)	$	3,785,935	3,246,075	9,984,011	8,520,406	+17.1
IRON AND STEEL—(March)—						
Pig iron production (tons)		167,116	114,282	474,245	331,841	+43.2
Steel ingots and castings prod. (tons)		265,903	218,939	767,840	621.006	+23.5
AUTOMOBILES—(Number)—						
Passenger Cars:						
Domestic sales* (Feb.)		2,733	6,717	8,776	12,450	—29.5
Factory output (Mar.)		3,192	12,093	11,430	34,730	—67.1
Trucks and Buses:						
Domestic sales (Feb.)		2,200	2,459	5,243	4,733	+10.8
Factory output (Mar.)		16,996	13,951	50,690	38,219	+32.6
Financing:						
Used (Mar.)	$	1,662,722	4,214,622	4,645,149	9,616,825	—51.7
New (Mar.)	$	1,138,031	3,286,098	3,616,941	7,954,061	—54.5
CONSTRUCTION—						
Contracts awarded (Apr.)	$	22,512,100	23,567,200	64,295,600	88,843,500	—27.6
Cement prod., bbls. (Feb.)		299,361	302,182	582,756	584,746	—0.3
AGRICULTURE—						
Flour prod., bbls. (Mar.)		1,806,854	1,476,673	4,947,682	4,116,229	+20.3
▪Flour exp., bbls. (Apr.)		1,127,974	849,816	3,834.084	2,370,530	+61.7
▪Wheat exp., bush. (Apr.)		14,537,320	20,322,400	40,871,713	46,284,793	—11.6
▪Cattle sales▴ (Apr.)		79,608	89,786	359,331	313,431	+14.6
▪Hog sales▴ (Apr.)		631,098	600,676	2,226.043	2,065,377	+7.8
SEA FISHERIES—‡						
Catch, cwts. (Mar.)		231,740	427,300	2,042,540	1,336,500	+52.9
Landed value (Mar.)	$	638,500	602,500	2,269,300	1,718,000	+32.0
NEWSPRINT—						
Production, tons (Mar.)		295,835	275,769	885,840	782,674	+13.1
Exports (Mar.)	$	12,670,000	10,811,000	39,583,000	30,898,000	+28.2
MINING AND OILS—						
Coal prod., tons (Mar.)		1,600,269	1,546,530	5,191,694	4,826,332	+7.4
Coal import, tons (Mar.)		979,169	703,411	2,756,038	1,741,393	+58.2
Gold rec., fine oz. (Mar.)		377,109	426,842	1,164,622	1,300,324	—10.4
▪Crude oil, imp. gals.† (Mar.)		86,746	62,661	248,750	181,124	+37.3
ELECTRIC POWER OUTPUT—(March)—						
Total monthly, 1,000 kw.h.'s		3,220,953	2,631,809	9,311,680	7,673,578	+21.3
FOREIGN TRADE—♦						
Imports (Mar.)		$144,886,122	107,982,222	406,568,557	295,996,312	+37.5
Exports (Mar.)		176,949,773	102,958,387	497,454,071	292,435,196	+70.2
OTHER INDUSTRIAL FACTORS—						
Dressed lumber exp.: 1,000 bd. ft. (Mar.)		147,261	169,810	379,682	486,643	—22.0
▪Shoes, prod., pr. (Mar.)		2,921,536	2,524,243	8,011,567	6.641,192	+20.6
Cotton consump., lb. (Mar.)		16,192,378	16,803,419	49,728,082	49,086,877	+1.3
▪Raw rubber imp. lb. (Mar.)		11,440,796	8,692,314	21,500,479	31,232,217	—31.2
Cigarette cons., No.† (Mar.)		785,808	692,672	2,309,278	1,872,762	+23.3
Sugar manufactured .. lb.§		90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—						
Bank debits† (Mar.)	$	4,176,830	2,838,146	10,300,482	8,319,432	+23.8
Bond sales† (Mar.)	$	1,083,943	42,884	1,264,361	240,143	+426.7
Life insurance sales (Mar.)	$	35,876,000	33,700,000	118,314,000	93,526,000	+26.5

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. *Final. ‡Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Department Store Sales Showing Broad Gains

Department store sales, as judged by returns from 20 firms, in March this year were 27% higher than in March of last year and 31% above February, 1942. For the first quarter of this year sales have averaged 21% above the corresponding quarter of last year.

Feature for March was the huge jump in sales of men's and boys' clothing and furnishings, direct result of coming restrictions.

Changes in selected departments in March over a year ago were:

Dollar Sales of 20 Firms

	1942 $000 (March)	1941 $000 (March)	% Change
Mens', boys' clothing	3,227	2,123	52.0
Girls' & infants' wear	940	695	35.2
Shoes	2,057	1,534	34.0
Women's dresses, etc.	3,089	2,375	30.0
Women's, child's wear	6,618	5,145	28.6
Hardware	1,213	951	27.6
Hosiery, gloves	1,094	858	27.5
Piece goods	1,969	1,550	27.0
Lingerie, corsets	1,113	887	25.4
All other depts.	2,603	2,117	23.0
Smallwares	893	734	21.6
Radios, music instr.	351	291	20.5
Stationery, books	344	287	20.0
Drugs, toilet	749	635	18.0
Millinery	383	329	16.2
Food	2,463	2,129	15.6
Household appliances	736	638	15.4
Furniture	1,400	1,251	11.9
Total sales	26,358	20,893	26.2

Motor Cars Gain All Provinces

Total motor vehicles—passenger cars, trucks, motor cycles and others—registered in Canada at the end of 1941 was 1,568,758, compared with 1,500,829 at the end of 1940, a gain of 4.5%. Approximately one half of the total was in Ontario with 739,194, followed by Quebec with 232,149.

Total motor vehicles in each province and average number of persons per vehicle for the two years follows:

Total Motor Vehicles

	Number	Gain 1941 over 1940 %
P. E. I.	8,013	0.7
N. S.	62,805	8.5
N. B.	41,441	6.3
Que.	232,149	3.1
Ont.	739,194	5.0
Man.	96,573	6.2
Sask.	131,403	3.5
Alta.	124,244	3.1
B. C.	132,509	3.5
Yukon	427	6.2
CANADA	1,568,758	4.5

Average Number Persons

	Per Motor Vehicle 1941	Per Motor Vehicle 1940	Per Pass. Car 1941	Per Pass. Car 1940
P. E. I.	11.7	11.6	13.9	13.8
N. S.	9.1	9.7	12.1	12.4
N. B.	10.9	11.6	14.2	14.8
Que.	14.3	14.4	18.0	18.0
Ont.	5.1	5.3	5.9	6.2
Man.	7.5	8.0	9.5	9.9
Sask.	6.8	7.3	9.3	10.0
Alta.	6.3	6.5	8.3	8.5
B. C.	6.1	6.2	7.8	7.8
Yukon	11.0	9.9	27.4	25.8
CANADA	7.3	7.6	8.9	9.2

On the Record

Maurice Samson, Hides and Leather Administrator, named assistant to the chairman, WPTB. He will be an adviser to the Board on matters particularly affecting industry in the province of Quebec.

Surrey L. Holder, Lounsbury Co. Ltd., appointed local representative of the Moncton subregional office of the WPTB.

Harvey W. Simpson named local representative of the Chatham subregional office of the WPTB.

Railway rates affecting traffic within Canada will not be increased. This applies to passenger fares, sleeping car and parlor car rates, freight and express charges.

Fourteen pounds of rubber are required to make an average-sized automobile tire; a 28-ton tank requires enough rubber to make about 125 tires; a 2½-ton army truck needs 525 pounds of rubber, enough to make about 37 car tires.

Mrs. Rex Eaton, Vancouver, appointed to take charge of the women's division of the National Selective Service.

Wartime Salvage Ltd., a new government company, with Walter A. Bark, Toronto, as president, has been established to acquire and dispose of waste or used matter of all kinds.

No phonographs of any kind may be manufactured after May 31 except by permit from the Controller of Supplies.

H. Carl Goldenberg, Director-General of the Economics and Statistics Branch, Department of M. & S. appointed a member of the Labor Co-ordination Committee.

Madame Rene de la Durantaye, Ottawa, named assistant director of the Consumer Branch of WPTB.

F. D. Mathers, president and general manager, Westminster Canners, New Westminster, B.C., appointed Administrator of Canned Foods. **S. Sigmundson,** 318 Marine Building, Vancouver; **H. J. Rymes,** 2225 Eleventh Avenue, Regina; **N. D. Wilson,** 255 Bay St., Toronto; and **Albert C. Wagner,** 77 Upper Water St., Halifax, appointed regional directors of the regional offices of the Transit Controller.

Arthur Herbert, Merlin, Ont., appointed to the Windsor subregional office of the WPTB.

Some 600 owners of heating plants east of the Rockies have been ordered to switch from oil to coal or some other fuel by July 31. This order will affect about 50 owners on the Prairies, 250 in Ontario, 250 in Quebec and around 50 in the Maritimes.

A CHECK-UP OF YOUR INVESTMENTS

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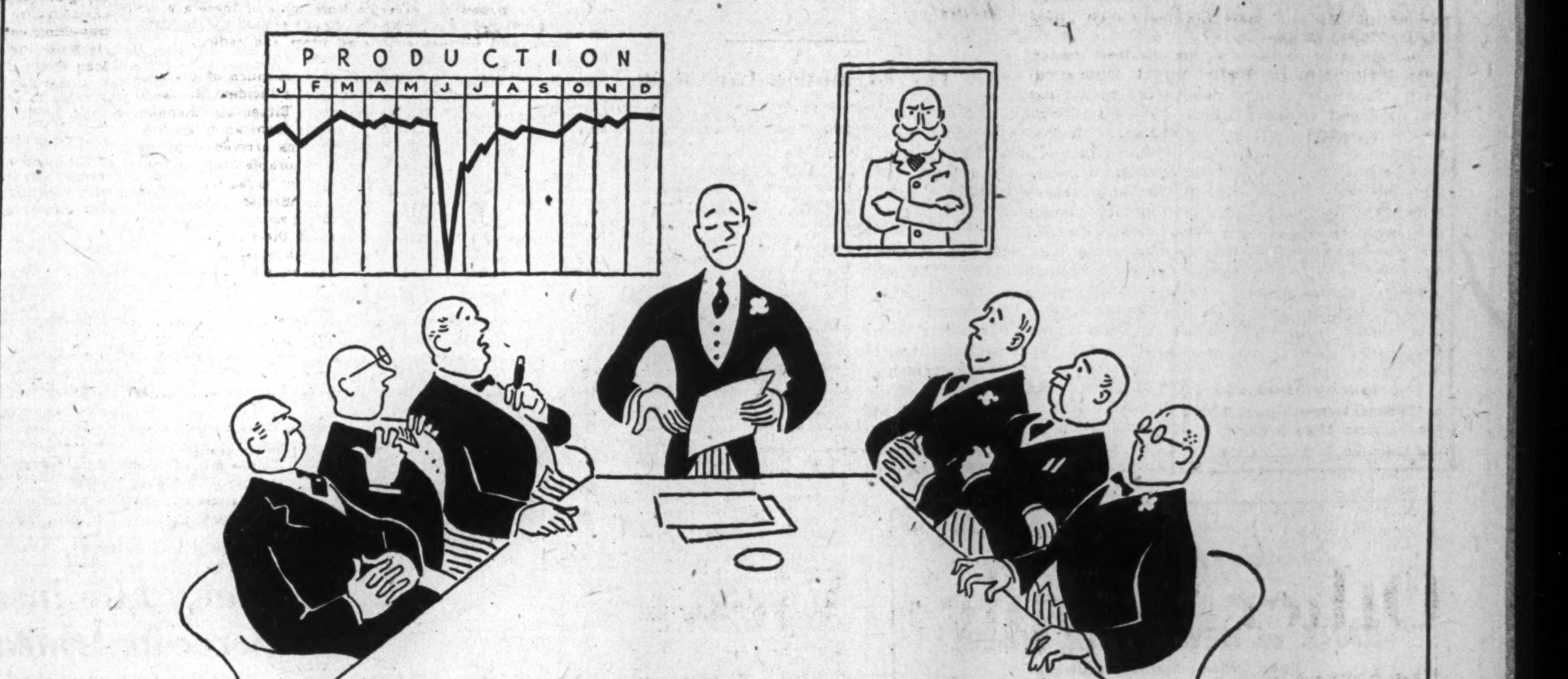

We regret to report, Gentlemen, that during the month of June your roof leaked . . .

THE chart on the wall tells the rest of the story. A roof failed to cope with the volume of a June downpour and vital production machinery was halted while the resulting water damage was repaired.

In many Canadian plants, a leaking roof would mean *delayed production*. A Murray Registered Roof of Built-Up Pitch and Gravel is your best insurance against this hazard. Built to exacting specifications, from the finest materials obtainable, every Murray Registered Roof is laid under the supervision of a qualified Murray inspector and, as Murray roofs are inspected *in process*, you are guaranteed *uniform* quality.

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The Murray inspector who is on the job when your Murray Roof is being applied compiles a complete report and roof plan for our permanent files. This data is of great value in follow-up inspection service, and in any subsequent work that may be done on your roof. A Murray Roof, at no extra expense, gives you planned, inspected and *registered* security.

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May we help you?

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Longer Life—A National Aim

Policyholders Benefit From Better Health Conditions

What effect is the war having on the length of life of the average Canadian outside the armed forces? Are Canadian civilians living longer or dying sooner than in peacetime?

The question is of financial importance to every life insurance policyholder in Canada because the mortality rate is one of the factors in setting the cost of life insurance. In present conditions with interest rates showing a declining trend, every policyholder is interested in doing what he can to control the cost of insurance.

War has greatly changed conditions of life for most people living in Canada, in recent years. Some of these changes tend to improve health and prolong life. More general employment has resulted in many people being better fed, housed and clothed than before the war. Living habits have been more regular.

On the other hand increased income may have caused some to go to extremes in good living, lessening their resistance to disease. Pressure of work in many cases has resulted in longer working hours with more intensive effort and increased mental strain. Anxiety over relatives in the armed forces has been a factor affecting the health of many civilians. Different factors have had varying effects on mortality which, even in insurance circles, do not seem as yet to be clearly defined.

Insurance Companies Experience

In their annual reports for 1941 a number of life insurance company executives stated that the rate of mortality experienced had been slightly higher than expected. Some had found it lower. On the whole as regards insured lives there did not appear to be any great change in the general mortality rate of insured civilians.

Official statistics of all deaths in Canada insured and uninsured for the first two months of 1942 in municipalities in Canada with a population of 10,000 or over show a decrease of 2%.

Total Deaths

Total deaths in Canada in 1941 from all causes were 99,371 or approximately 3% higher than in the previous year.

But these figures give no indication of the causes of death. Latest data of that kind available at time of writing are for the first nine months of 1941. These show declines in seven out of 20 classified causes of death. Most noticeable increases were shown in mortality due to influenza, measles, diseases of the brain, diseases of the heart, automobile accidents and other violent deaths.

Increases in mortality due to certain communicable diseases such as diphtheria, measles, etc., are contrary to the general trend in recent years which has been downward. This declining trend has been one of the achievements of modern medical science. Most middle-aged people living in Canada can remember when news of an outbreak of smallpox, diphtheria or scarlet fever in one part of the country caused widespread alarm. While still a problem, epidemics of this type have been brought pretty well under control. Typhoid fever, once a scourge to the country, is now regarded as an almost negligible cause of death. Cancer deaths in 1941 were slightly under those of 1940.

The increase in deaths due to heart or brain disease points to the need of the individual avoiding mental and physical strain. Too strenuous exercise, as well as too high living are named as frequent causes of heart failure while too much worry is named as frequently helping to cause diseases of the brain which may cause death.

Mindful of the epidemic of 1918 and 1919, insurance men have been watchful to take necessary measures to check a recurrence under present war conditions. The death claims due to the influenza outbreak in the last three months of 1918 have been computed at $9.8 millions or nearly half the amount of the total war claims for 1914-18 amounting to $20.4 millions.

Policyholders who assume their own health is the only thing that counts overlook not only the financial aspect of the matter but also the part that each individual plays in stamping out communicable diseases, thereby helping to improve his own chances for long life. Improved health of people now may help to prevent the spread of epidemics later.

Automobile Insurance Increases in Ontario

Automobile insurance premiums written in Ontario in 1941, at $13.3 millions were about $1.2 million higher than in 1940. The loss ratio at 53.2% was a little lower than the 57.02% shown in the previous year.

Special interest attaches to the Ontario figures because they represent about half of the total automobile insurance written in Canada.

The lower loss ratio, in spite of more cars on the road in 1941, is attributed to greater care by motorists due to increased costs of cars and repairs.

AUTOMOBILE INSURANCE PREMIUMS AND LOSSES IN ONTARIO DURING 1941

COMPANIES	Net Premiums Written $	Net Premiums Earned $	Net Losses Incurred $	Ratio Net Losses Incurred to Net Prems. Earned %
JOINT STOCK				
Aetna Insurance	1,747	1,419	1,823	128.47
Agricultural	767	402	......	....
Alliance Assurance	......	......	......	....
Alliance Insurance	1,029	1,049	1,271	121.16
American Alliance	767	761	265	34.82
American Automobile Fire	127,105	124,066	37,778	30.45
American Automobile Ins.	440,709	439,335	179,352	40.82
American Central	......	......	......	....
American Home Fire	......	......	—5	....
American Insurance	2,110	1,898	1,090	57.43
Anglo-Scottish Insurance	14,831	14,911	6,573	44.08
Arex Indemnity	13,582	11,281	6,987	61.94
Atlas Assurance	78,911	81,517	45,708	56.07
Boston	......	45	......	....
British America Assurance	196,073	191.665	82,576	43.08
British Canadian	36,389	33,698	9,412	27.93
British & European	......	......	......	....
British Empire	76,047	73,790	30,761	41.69
British General	35,248	34,825	22,321	64.09
British Law	8,967	8,154	6,451	79.11
British Oak	16,687	13,750	7,996	58.15
British Traders	69,690	68,502	38,179	55.73
Caledonian Insurance	23,094	22,487	6,092	27.09
Camden	1,576	1,621	653	40.28
Canada Accident & Fire	101,338	100,118	64,167	64.09
Canada Security	57,220	55,321	26,328	47.59
Canadian Fire Insurance	104,913	93,227	53,004	56.85
Canadian General Insurance	120,343	115,478	63,127	54.67
Canadian Indemnity	123,782	116,582	53,473	45.87
Canadian Surety	96,117	93,586	58,427	62.43
Car & General	5,128	4,963	4,334	87.33
Casualty Co. of Canada	118,795	115,170	60,829	52.82
Century Insurance	15,164	15,209	6,565	43.17
China Fire	......	......	......	....
Commercial Union	57,278	56,601	41,264	72.90
Consolidated Fire & Casualty	126,604	123,766	42,061	33.98
Continental Casualty	2,825	2,023	8,582	424.22
Continental Insurance	......	......	......	....
Cornhill	41,865	41,762	20,838	49.90
Dominion of Canada General	511,159	491,483	224,131	45.60
Dominion Fire	22,047	20,295	9,859	48.58
Drapers' & General	8,011	6,526	5,937	90.97
Eagle Fire	2,747	2,572	870	33.83
Employers' Liability	308,315	299,727	164,683	54.94
Employers' Reinsurance	54,349	54,213	5,262	9.71
Federal Insurance	68,222	63,977	51,692	80.80
Fidelity & Casualty of New York	......	......	......	....
Fidelity of Canada	51,306	44,425	17,317	38.98
Fidelity-Phenix	201,403	180,511	100,047	55.42
Fire Association of Philadelphia	4,497	4,900	1,743	35.57
Firemen's of Newark	......	......	......	....
General Accident	510,471	480,277	243,769	50.76
General Accident, Fire & Life	228,837	211,232	144,344	68.33
General Exchange	525,937	480,942	313,033	65.09
General Security	36,909	16,718	18,135	108.48
Glens Falls	186,848	164,715	75,053	45.57
Globe Indemnity	87,195	84,538	39,059	46.20
Great American Indemnity	19,405	19,916	28,163	141.41
Great American Insurance	6,902	6,851	2,381	34.75
Guardian Assurance	281	166	......	....
Guardian Ins. of Canada	122,765	109,654	73,062	66.63
Guildhall Insurance	106,391	108,932	57,996	53.24
Halifax Insurance	283,863	250,680	147,181	58.71
Hand-in-Hand	8,255	7,725	2,104	27.24
Hartford Accident & Indemnity	112,830	99,357	76,944	77.44
Hartford Fire	12,601	11,210	4,364	38.93
Home Fire & Marine	......	......	......	....
Home Insurance	328,593	292,870	171,166	58.44
Imperial Guarantee & Accident	72,778	71,268	27,139	38.08
Imperial Insurance Office	14,739	13,809	4,472	32.38
Indemnity Insurance of N. A.	14,557	12,741	—2,758	....
Insurance Co. of N. A.	5,738	5,307	1,731	32.62
Jersey Insurance	......	......	......	....
Law, Union & Rock	13,957	14,325	10,850	75.74
Legal & General	......	......	......	....
Liverpool & London & Globe	44,583	43,402	19,556	45.06
Liverpool-Manitoba	8,917	8,642	3,938	45.57
London Assurance	46,964	43,777	43,897	100.27
London-Canada	20,413	18,702	10,565	56.49
London & County	571	581	......	....
London Guarantee & Accident	113,178	111,556	49,719	44.57
London & Lancash. Gu. & Ac.	52,645	51.346	39,715	77.35
London & Lancashire	43,954	41,770	29,307	70.16
London Provincial Mar. & Gen.	14,729	14,664	8,725	59.50
London & Scottish	5,636	5,399	—1,077	....
Marine Insurance	3,630	3,042	4,405	144.81
Maryland Casualty	29,759	19,172	16,992	88.63
Mercantile Insurance	.....	......	......	....
Merchants Fire	31,734	30,074	12,448	41.39
Merchants Marine	8,427	7.800	3,257	41.76
Mercury	4,969	4,789	3,813	79.62
Metropolitan Casualty	241,369	217,477	149,683	68.83
Motor Union Insurance	38,107	39,114	25,367	64.85
National-Ben Franklin	63,871	53,655	31,670	59.03
National Fire of Hartford	......	......	......	....
National Union Fire	13,121	12,190	5,891	48.33
Newark Fire	6,730	6,457	2,289	35.45
New England Fire	......	1	......	....
New Hampshire Fire	2,482	1,726	621	35.09
New York Underwriters	693	526	357	67.87
Niagara Fire	......	......	......	....
North British & Mercantile	82,010	80,139	27,522	34.34
Northern Assurance	100,232	93,091	53,484	57.45
Northwest Casualty	62,171	59,132	24,146	40.83
Northwestern National	3,924	3,670	575	15.67
Norwich Union Fire	224,891	208,800	102,519	49.10
Occidental Fire	9,676	9,532	2,693	28.25
Ocean Accident & Guarantee	198,314	195,948	125,534	64.06
Pacific Coast Fire	14,497	14,595	6,573	45.04
Palatine Insurance	22,030	21,766	13,941	64.05
Patriotic Assurance	3,500	3,299	636	19.28
Pearl	102,975	98,601	48,707	49.40
Phenix Fire of Paris	813	687	12	1.75
Phoenix Assurance	60,260	55,259	45,524	82.38
Pilot	582,516	563,061	221,172	39.28
Providence-Washington	7.188	7,842	2,413	30.77
Provincial Insurance	56,751	55,737	34,022	61.04
Prudential Assurance	129,252	140,760	53,447	37.97
Queen	8,135	7,807	2,764	35.40
Railway Passengers	31,050	30,427	23,261	76.45
Royal Exchange	31,717	32,961	15,207	46.14
Royal Insurance	110,134	107,138	49,445	46.15
St. Paul Fire & Marine	26,100	26,190	13,680	52.23
St. Paul Mercury Indemnity	15,327	15,764	14,579	92.48
Scottish Metropolitan	47,689	46,396	22,498	48.49
Scottish Union & National	47,971	46,705	37,052	79.33
Security Insur. of New Haven	10,815	8,709	3,730	42.83
Sentinel Fire	......	......	......	....
Southern	4,944	4,970	2,191	44.08
Springfield Fire & Marine	......	34	......	....
Sun Insurance Office	40,790	39,869	23,700	59.44
Svea Fire & Life	294	196	......	....
Toronto General	98,463	101,978	42,591	41.76
Travelers Fire	16,520	15,969	3,469	21.72
Travelers Indemnity	152,037	147,585	48,266	32.70
Travellers Insurance	......	......	......	....
Union Assurance	26,436	26,118	16,737	64.08
Union Fire, Accident & General	49,367	55.572	36,776	66.18
Union of Canton	129,425	127,218	70,905	55.73
Union Marine & General	28,093	25,739	10,232	39.75
United States Fidelity & Guar.	57,374	68,625	54,031	78.73
United States Fire	....	......	......	....
United States Guarantee	24,963	23,152	15,191	65.61
Wellington Fire	190,768	184,058	75,775	41.17
Western Assurance	301,673	289,572	141,462	48.85
Westminster Fire Office	.....	......	......	....
World Fire & Marine	......	......	......	....
World Marine & General	44,745	39,411	28,466	72.23
Yorkshire Insurance	57,968	51,532	19,073	37.01
Zurich Gen. Acc. & Liability	277,195	265,428	131,713	49.62
MUTUALS				
Central Manufacturers'	2,799	3,763	2,188	57.14
Economical	250,938	244,121	94,881	38.87
Gore District	65,742	51,982	34,306	66.00
Hardware Dealers'	4,264	4,322	975	22.57
Indiana Lumbermen's	9	6	......	....
Liberty Mutual	11,060	9,510	9,489	99.78
Lumbermen's Mutual Casualty	429,724	397,047	161,420	40.66
Lumbermen's Mutual Insurance	.....	......	......	....
Minnesota Implement	4,264	4,323	980	22.68
National Retailers	55,607	52,144	16,989	32.58
Northwestern Mutual	69,233	65,759	26,284	39.97
State Farm Mutual	52,386	47,814	14,725	30.80
United Mutual Fire	2,692	2,279	951	41.73
Wawanesa Mutual	162,323	142,722	79,417	55.64
OTHER				
General Reinsurance (unlic.)	22,368	22,368	14,000	62.58
Affil. Underwr. (recip. exch.)	7,608	8,040	5,951	74.02
Non-Marine Under's. at Lloyds	1,838,463	1,802,324	1,154,289	64.04
TOTALS FOR 1941	13,315,564	12,686,272	6,751,708	53.20
TOTALS OF 1940	12,135,244	11,750,570	6,700,382	57.02

C.I.U.A. Issues Revised Rules

Minimum Premiums Established For Personal Property Floater

Revised rules and regulations for the Personal Property Floater insurance policy issued by Wilson E. McLean, manager of the Canadian Inland Underwriters' Association, will come into effect July 1 and apply to all new or renewal business after that date.

Among the main provisions of the rules are:

Policies may be issued for any term up to three years, but when issued for less than three years the premium shall be based on a prescribed short rate.

The amount of insurance granted shall not be less than 80% of the estimated total value of the property.

Minimum Premium

The minimum premium charged for full cover shall be $20 a year or $35 for three years where no credit is given for existing insurance. When credit is given for existing insurance, the minimum premium shall be $15 for one year and $30 for three years.

For $15 deductible cover, minimum annual premiums shall be $15 and $10 according as credit is given for existing insurance or not, and the minimum premium for three years $25 and $20.

Premiums shall also be payable in advance and it shall not be permissible to provide for payments by installments.

Extension of the policy to cover money and securities for an increased amount not exceeding $250 additional is allowed at a rate of 3% per $100 annual policy or 7% for a three-year policy.

The term "single residence" shall include only the main residence and such outbuildings as are merely part and parcel of the activities of the main residence. Buildings adjacent to the main residence but which are themselves a residence and may be occupied by others than the named insured shall be construed as separate residences.

Bank of Canada Assets Switch

Switching of assets and an increase of over $18 millions in the total are shown in the statement of the Bank of Canada for the week ended May 6.

Items in which increases are shown are investments and miscellaneous assets which include cheques received but not yet cleared. The rise in investments is over $11 millions, while miscellaneous assets were up $18.6 millions. Holdings of sterling and United States exchange were $11 millions lower. It is probable the decline in sterling represents pounds paid over to repatriate Canadian bonds held in Britain.

The main changes on the liability side are an increase of $31 millions in deposits and a decrease of $16 millions in miscellaneous liabilities. Note circulation is also almost $4 millions higher.

	May 6 1942 $	Apr. 29 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	520,170,323	516,466,555
Rest fund	5,585,705	5,585,705
Deposit: Dom.	127,366,815	97,853,020
Banks	210,783,483	206,791,225
Other	15,129,825	17,307,835
Total deposits	353,280,123	321,952,080
All other liabs.	10,248,541	26,779,372
Total liabs.	894,284,692	875,783,712
Assets		
In Sterl. & U. S.	198,823,128	209,508,961
Subsid. coin	344,043	360,928
Advances	......	500,000
Investments:		
Dom. gov. sh.	423,731,326	413,767,577
Other Dom. gov.	224,547,666	223,359,509
Total invest.	648,278,992	637,127,086
Premises	1,801,536	1,801,029
All other assets	45,036,993	26,485,708
Total assets	894,284,692	875,783,712

Many Life Insurance Men Serve in Armed Forces

Right from the beginning of the war life insurance men have been taking an active part in the country's war effort.

Most attention has been centred on the work done in helping with the war savings campaigns, in the sale of war and Victory bonds, etc.

A survey recently made of the number of men from the different companies in Canada indicates that over 1,700 men or about 20% of the whole-time male employees of the companies are on active service with the armed forces.

Among the different services, the army seems to have the preference with the insurance men, the air force coming second and the navy third. The percentage vary among the different companies but a fair average would seem to be 65% in the army, 30% in the air force and 5% in the navy.

This differs from the choice of the men in the chartered banks which showed preference for the air force, with the army in second place and the navy coming next.

Many life insurance men have taken an active interest in the militia in the old days which has probably given many of the younger men in the companies a bent toward the army.

Weekly Bank Clearings

	May 7 1942 $	Change Year Ago %	Apr. 30 1942 $
Halifax	4,774,181	+25.5	3,739,221
Saint John	2,934,043	+11.3	2,327,642
Moncton	1,055,264	+10.8	1,179,952
Sherbrooke	1,174,014	+27.5	940,235
Quebec	6,459,625	+10.6	4,900,309
Montreal	141,074,146	+11.1	114,168,772
Ottawa	213,356,497	+77.9	57,210,220
Kingston	871,807	—6.4	626,181
Peterborough	1,002,413	+34.8	705,991
Toronto	170,520,080	+33.5	159,377,047
Hamilton	8,323,131	+20.4	6,941,233
St. Catharines	1,485,818	+19.7	1,402,067
Kitchener	1,630,946	+22.2	1,409,992
Brantford	1,360,227	+9.7	1,029,489
London	3,378,711	+20.1	2,478,156
Chatham	770,811	+2.6	614,515
Windsor	3,892,006	+9.9	3,699,846
Sarnia	553,624	+6.3	406,435
Sudbury	1,129,958	+15.2	1,252,500
Fort William	1,267,414	+13.6	856,010
Winnipeg	71,488,248	—15.6	49,412,507
Brandon	532,953	+18.8	414,668
Regina	8,454,686	+36.0	3,882,160
Moose Jaw	843,224	+20.8	545,340
Saskatoon	1,893,499	+5.8	1,425,716
Prince Albert	534,764	+30.8	392,246
Edmonton	6,492,294	+29.0	5,990,595
Calgary	6,723,445	+7.0	6,776,921
Lethbridge	807,223	+46.2	655,540
Medicine Hat	351,773	+9.8	328,167
N. W'minster	1,016,323	+26.1	882,921
Vancouver	24,960,839	+33.8	22,396,407
Victoria	2,064,830	+5.8	1,870,765

World-wide Currency Plan Suggested

Discussions of postwar reconstruction in some quarters recently have centred around the possibility of the nations adopting a uniform decimal system of currency.

Differences in the monetary systems of countries in the past have been one of the obstacles in the way of international co-operation. A uniform currency system, it is felt, would not overcome all exchange problems but would make it easier.

The decimal system in use in Canada and the United States recommends itself to many of the postwar planners because of its arithmetical simplicity. But Great Britain and most parts of the Empire apart from Canada are on the sterling system, while other countries have their own systems. Accordingly any change by Great Britain alone is believed to be out of the question but would have to be accompanied by a new system in such Dominions as Australia and New Zealand. Adoption of a decimal currency by the sterling countries of the British Empire would bring the English-speaking nations of the world under the same system.

Opponents of the scheme argue that a change in the monetary unit would bring drastic unsettlement of the whole economic position in Great Britain and other traditionally sterling countries as well as upsetting all foreign exchange relationships. Prices of goods, scales of wages, salaries, etc., it is stated would all have to be revised in the new currency which would cause endless confusion.

This objection is met by the argument that the confusion would be no greater than that experienced by the average Britisher who migrates to Canada or the United States, or the Canadian or American who migrates to Great Britain.

In general it is believed that if some change to a decimal system of currency is to be made the war and the postwar period, when great economic changes all over the world are seen as possible, present an unusual opportunity.

Linked with the suggestion of a decimal system of currency is that for the adoption of the metric system of measurement and weights. Arithmetical simplicity here is also a strong argument in its favor. But the difficulties facing a change in the system of weights and measures involving a change in millions of tools, formulas, etc. are believed to be much greater than those facing a change in the currency.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

H. J. JOHNSON, to be manager, Glace Bay, N.S.

A. L. BAILEY, to be accountant, Renfrew, Ont.

E. R. JONES, to be accountant, Newcastle, N.B.

T. B. LOCKHART, to be accountant, St. Andrews, N.B.

Victory Loan Boosts Total Bank Debits

Heavy payments for the second Victory Loan were responsible for an increase of 47% in the cheque payments made through the chartered banks in March, as compared with the same month in 1941. The total for the month was $4.1 billions against $2.8 billions in the same month last year. Gains were general throughout the 32 clearing house centres of the country.

Gains were also shown by each of the five economic areas of the country, the greatest percentage increase being 58% in Ontario. Gains per cent in the other areas were Maritimes, 47; Quebec, 40.3; Prairies, 24.7 and British Columbia, 44.7. Compared with February the increase in the total was 39.4%. Gains per cent in the five areas in this comparison were as follows: Maritimes, 27.3%; Quebec, 23.1%; Ontario, 60%; the Prairies, 19%; and British Columbia, 14.1%.

Debits to Individual Accounts (Millions of dollars)

	1942 Mar.	1942 Feb.	1941 Mar.
Maritimes:			
Halifax	60.6	41.1	40.1
Moncton	14.8	14.8	10.8
Saint John	30.1	21.7	20.8
Total	105.5	77.7	71.8
Quebec:			
Montreal	997.5	746.3	709.3
Quebec	123.7	70.1	89.8
Sherbrooke	10.6	9.3	7.9
Total	1,131.9	825,8	807.1
Ontario:			
Brantford	19.9	13.7	11.5
Chatham	11.3	8.9	8.3
Fort William	11.6	8.4	7.4
Hamilton	118.5	93.0	82.2
Kingston	12.5	9.0	7.2
Kitchener	32.8	18.3	15.3
London	52.0	33.7	33.8
Ottawa	593.1	334.6	252.3
Peterborough	9.4	11.6	7.7
St. Catharines	20.9	17.1	.....
Sarnia	9.8	8.4	5.6
Sudbury	8.8	8.1	7.2
Toronto	1,167.0	715.2	862.6
Windsor	86.0	64.1	56.6
Total	2,154.2	1,344.2	1,358.0
Prairies:			
Brandon	5.2	4.7	3.1
Calgary	86.8	73.4	63.2
Edmonton	60.2	52.3	47.2
Lethbridge	5.7	5.4	4.5
Medicine Hat	3.6	3.3	2.6
Moose Jaw	8.5	7.6	6.9
Prince Albert	4.7	3.9	3.2
Regina	41.4	38.4	32.1
Saskatoon	13.8	12.0	10.5
Winnipeg	299.3	233.9	251.3
Total	529.4	435.3	424.5
British Columbia:			
N. Westminster	11.3	10.0	8.3
Vancouver	211.2	168.3	136.7
Victoria	33.1	31.4	31.6
Total	255.7	209.8	176.7
Total for Canada	4,176.8	2,892.8	2,838.1

NOTICE

Notice is hereby given that The Lumberman's Insurance Company has received from the Department of Insurance, Ottawa, Certificate of Registry, No. C-797 authorizing it to transact in Canada the business of Real Property Insurance, and Weather Insurance limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered.

HERBERT BEGG,
Chief Agent for Canada.

NOTICE

Notice is hereby given that Fire Association of Philadelphia has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-796, authorizing it to transact in Canada the business of Real Property Insurance and Weather Insurance, in addition to the classes for which it is already registered.

J. J. KILGOUR,
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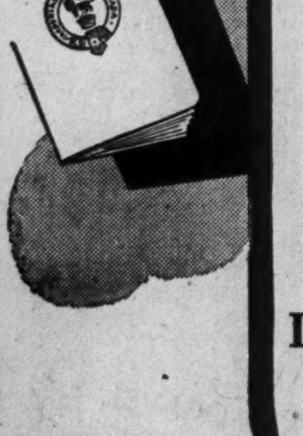
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Do not burn or destroy this copy. See that it goes to paper salvage.

Pooling Air Strength To Beat The Axis

Ottawa Meet of United Nations Airmen Offers Many Dramatic Probabilities

By RONALD A. KEITH
Editor, Canadian Aviation

As diplomatic and technical representatives of the democratic air powers take their seats around the United Nations air conference table in Ottawa on May 18, their attention, inevitably, will focus on Canada's universally recognized wartime miracle: the British Commonwealth Air Training Plan. Its pronounced success during the 29 momentous months since it was conceived at an empire air conference, also in Ottawa, is conceded to be the fundamental reason for selection of the Canadian capital as the stage for this dramatic meeting of the freedom nations.

Two salient facts command attention as the conference assembles:

1. The vast and intricate machinery of the $824 millions Air Training Plan with its 93 air training stations and its air crew capacity now far in excess of the 30,000-a-year target, needs more recruits than this country can provide.

2. To fly and fight the 185,000 warplanes scheduled to roll from American factories before the end of 1943, the U. S. Air Forces face the considerable problem of providing more than two million highly trained young men.

Original announcement of the conference was made jointly by President Roosevelt and Prime Minister King.

Unify and Standardize

In general, aims of the conference are:

Co-ordination of air training by all the United Nations.

Standardization of training methods and standards and of equipment, instruments, etc.

Re-examination of training methods and air tactics in the light of combat experience.

Observers feel satisfied that the presence of high-ranking delegates from most of the United Nations foreshadows a comprehensive review of Allied air strategy, for both eastern and western fronts.

In the light of these needs, great significance attaches to the recent speech in Parliament of Air Minister C. G. Power. A summary of Canada's experience, highlights for the training plan were the decision to double the scope of training by civilian agencies as these had proved more satisfactory than those under airforce auspices, and to increase the amount of specialized training for air crew. The present three branches of air crew (pilot, observer, gunner) would be increased to ten.

Full figures of Canada's man power resources were not given by the Air Minister, but he stated that recruiting was running around 4,000 a month against last July's peak of 8,000, that many R.C.A.F. ground crew could be remustered as air crew after being given further education, etc. To date, the commonwealth plan has exceeded its air crew objective by 25%, will not require more large expenditures, except for a $42 million airfield construction programme, principally for home defense.

The co-ordination of air training on the North American continent, however, is considered to be of the most pressing importance. Discussions on this subject, obviously, will be occupied primarily by the American and Canadian training programmes.

Invitations have been issued specifically to the Norwegians, training near Toronto, the Chinese, training in the United States, and to Netherlanders, who plan to train airmen in North America.

The British Commonwealth Air Training Plan originated with a proposal from the United Kingdom to Canada, Australia and New Zealand on Sept. 26, 1939. Canada was selected as the scene for its operation and the agreement was finally concluded by the empire participants Dec. 16, 1939.

According to the arrangement, Canada was to provide 80% of the recruits, with 8% coming from Australia and New Zealand respectively, and 4% from Great Britain.

Actually, Canada's contribution in man power was stepped up, first by the considerable acceleration and expansion of the entire programme, then by cutting out U. S. volunteers (comprising about 8%) and finally by the preoccupation of Australia and New Zealand with events in the South Pacific.

The Man Power Problem

The air man power problem was analysed by Hon. C. G. Power, Air Minister, speaking in the House of Commons. He started with the assumption that there are in Canada today 177,150 men between 18 and 25 who have completed junior matriculation.

Discounting 33-1/3% of these as physically unfit for flying duty and another 17% as being disinclined to fly, he calculated an available supply of 88,575. Subtracting 50% of this number as having already enlisted in the various services, the pool available for enlistment as pilots or observers was estimated at 38,575.

By similar mathematics, the Air Minister calculated that some 13,000 men qualified for air crew enlistment would reach the age of 18 each year. Mr. Power observed that this annual total was far below the requirements for the Air Training Plan, but indicated that educational training would qualify some not otherwise eligible.

Thus, confronting next week's Ottawa conference is an Air Training Plan geared to train nearly four times the number of 18-25-year-old recruits readily available within this (the entire Dominion) country's borders. (Assuming that close to 40% of recruits are "washed out" for various reasons during training, an annual output of 30,000 would require an enlistment of 50,000 during the same period.)

Meantime, the air forces south of the border have set an objective of multiplying personnel from less than 400,000 today to one million by the end of this year and over two millions by the end of 1943. The production of pilots at the end of last year in the United States was at the rate of approximately 12,000 annually. The schedule now calls for a 140,000-a-year rate of pilot training by the end of next year. Even this, it is generally admitted, will not keep pace with the astronomical requirements.

Col. E. V. "Eddie" Rickenbacker, an outstanding American ace in the last war, now president of Eastern Air Lines, said recently, "This is going to be a long war, not just a year or two, but five, six, seven, eight years. Before long we'll need 300,000 fliers (100,000 in training, 200,000 in the air) plus three million men on the ground to keep them fighting."

It is obvious then that an over-all streamlining of air crew production on this continent will dictate such probable courses as the following:

Large-scale training of American pilots on Canadian air fields.

Further enlargement of the Air Training Plan establishment.

The assignment of Air Training Plan graduates to man American aircraft in service with American fighting forces.

Perhaps it was with such unprecedented possibilities in mind that Prime Minister King described the projected conference as "one of the most important conferences of the war."

Authorities in Ottawa have predicted a pooling of air training facilities as a likelihood. It has been suggested that each country might specialize in certain phases of training, with American recruits being sent to Canada and vice versa.

Actually, the training systems in Canada and the United States, as well as those of the Norwegians and the Chinese on this continent, could be standardized with little disruption. Considering the U. S. Army Air Corps training sequence and the Air Training Plan schedule of pilot training, for example, there are many points of similarity, while the differences are not fundamental.

Take the question of aircraft: In the elementary stage, the A.T.P. student trains on the Fleet Finch or the Tiger Moth, both similar to the Stearman trainers used in some of the U. S. elementary schools.

The R.C.A.F. has selected the Fairchild Cornell to succeed the Fleets and Moths. This corresponds almost exactly to the Fairchilds and Ryans used in the U. S.

Unlike the Canadian system, the American sequence divides the post-elementary training into two periods; basic training and advanced training. This provides a stepping stone (the Vultee basic trainer) to ease the transition from the exceedingly simple elementary planes to the complex advanced trainers with their multiplicity of instruments and controls.

Training Planes Similar

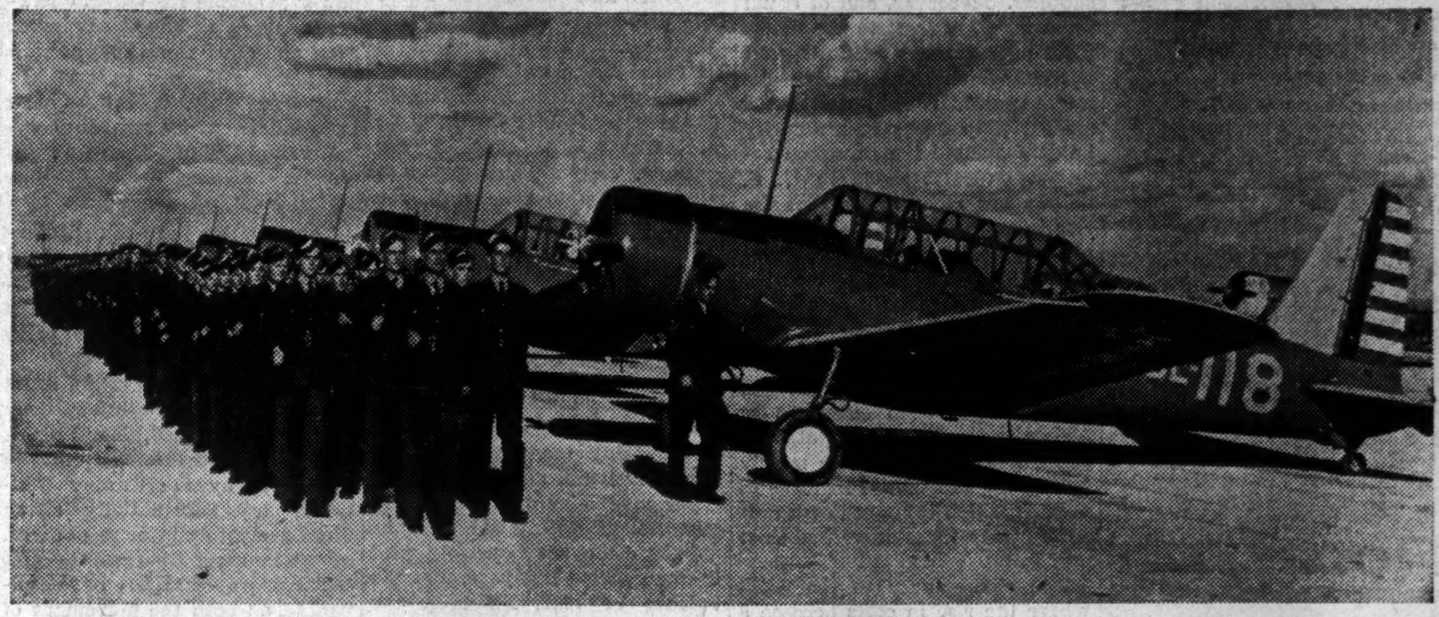
In the advanced training categories, as in the elementary, the Canadian and American training schedules meet on common ground. Both use the North American trainer (Harvard in Canada; AT-6-A in the Air Corps; SNJ-3 in the U. S. Navy) for single-engined advanced training. In both instances, too, the Cessna "Crane" is one of the twin-engined advanced trainers, although other types are also used, such as the Anson in Canada and the Beechcraft AT-7 in the U. S.

The increasing pressure of war time requirements, moreover, has been bringing the actual training systems closer together.

Thus, at the beginning of the war, when the Air Training Plan was under extreme pressure while the American programme was not yet governed by actual warfare emergency, there was a wide spread in the training times required for pilot production.

In Canada, pilots were rushed through in 18 weeks and with a total of only 125 hours in the air before entering the operational training unit. At the same time, the Air Corps was providing some 230 hours of training in 33 weeks for the corresponding course.

Subsequently, as the pressure eased in this country when the A.T.P. started producing in quantity, the pilot training was increased to the present level between 180 and 200 hours in 24 weeks. Meantime, under the stress of war, the U. S. schedule has been slimmed down to 200 air hours in 27 weeks.



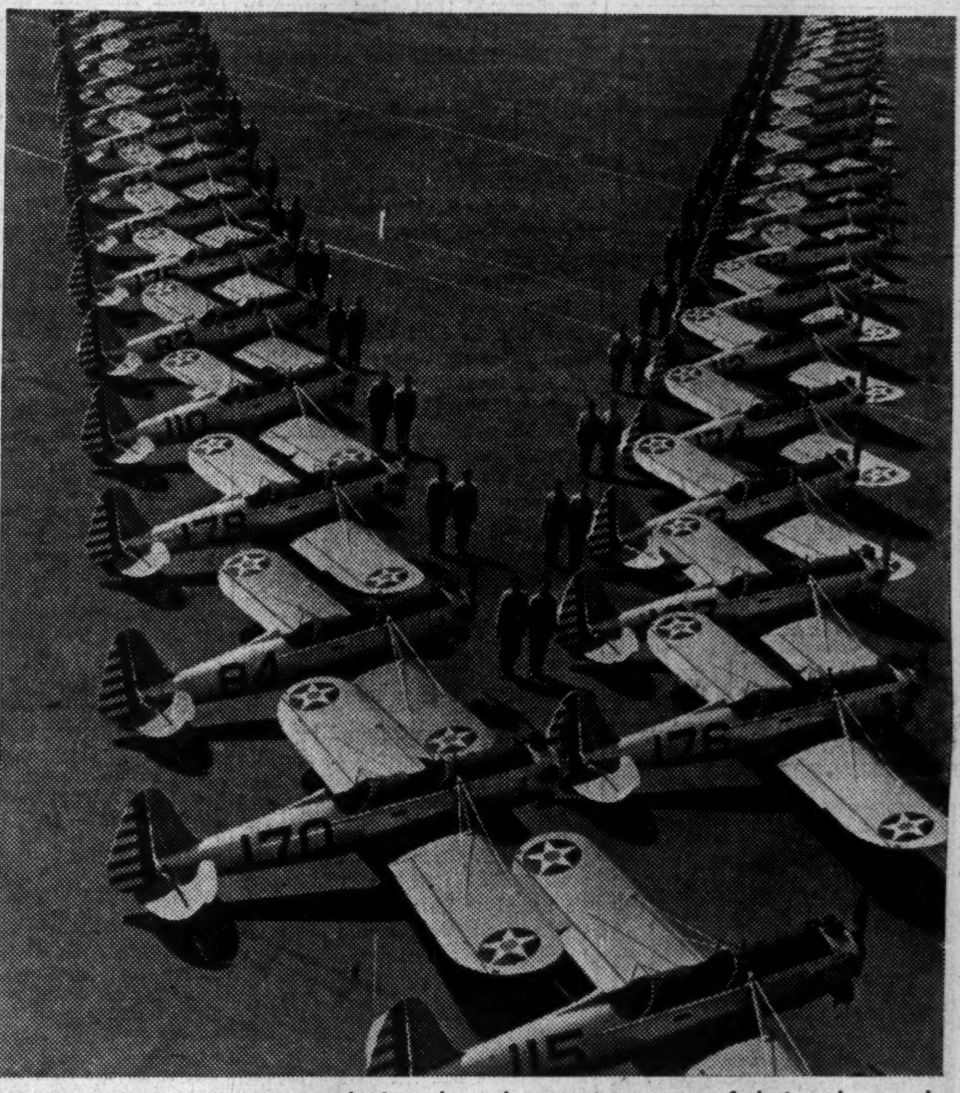
These are Royal Air Force Cadets who have completed training at War Eagle Field, in California, with American instructors and airplanes.

The 26 elementary flying schools of the Air Training Plan are operated by civilian companies (most of them former flying clubs) under direct supervision of the R.C.A.F. The instructors, while technically enlisted in the Air Force, are actually operating as civilians. The aircraft are supplied by the R.C.A.F.

This situation finds an almost exact parallel in the U. S. A. where there are 27 civilian-operated elementary flying training schools under supervision of the Air Corps, with civilian instructors and army planes.

As the requirements bounded upward in the U. S., the exceedingly rigid prewar restrictions on Cadet qualifications were relaxed by the Air Corps. The minimum age was reduced from 20 to 18 years, with top bracket at 26 years; eligibility was extended to include married men; and the old regulation requiring applicants to have two years college education or to pass stiff written examinations was discarded. The strict educational requirements were replaced by a simplified "screening" test which emphasized ability to learn the type of material in the training manual, mechanical comprehension, and practical judgment.

Entering the elementary school, the cadet is paid $75 a month plus $1 a day ration allowance. (The A.T.P. recruit gets $1.30 a day plus food, accommodation and clothing.) During his ten weeks he has 60 hours flying and 141 hours of classroom instruction. It is estimated that between 30 and 40% of the cadets are eliminated, 75% of these because of lack of co-ordination in flying.



American air cadets may before long be getting some of their advanced training at Canadian air bases.

Cut Training Time

The basic training course in the United States has been cut from 16 weeks to 10 weeks and the flying time has been reduced from 105 hours to 70 hours. The emphasis is placed on training in technique and judgment. The course includes 260 hours in the classroom, plus 70 hours in drill and athletics. (In the A.T.P., drill and athletics are stressed at the initial training school which precedes elementary flying training. The ratio of failures in the basic training period is estimated at 14%.)

In the advanced training school, the student receives another 70 hours of flying over a period of 10 weeks, with emphasis on instrument flying, cross-country operation by day and night, radio orientation, etc. He averages two hours flying and four hours in the classroom per day.

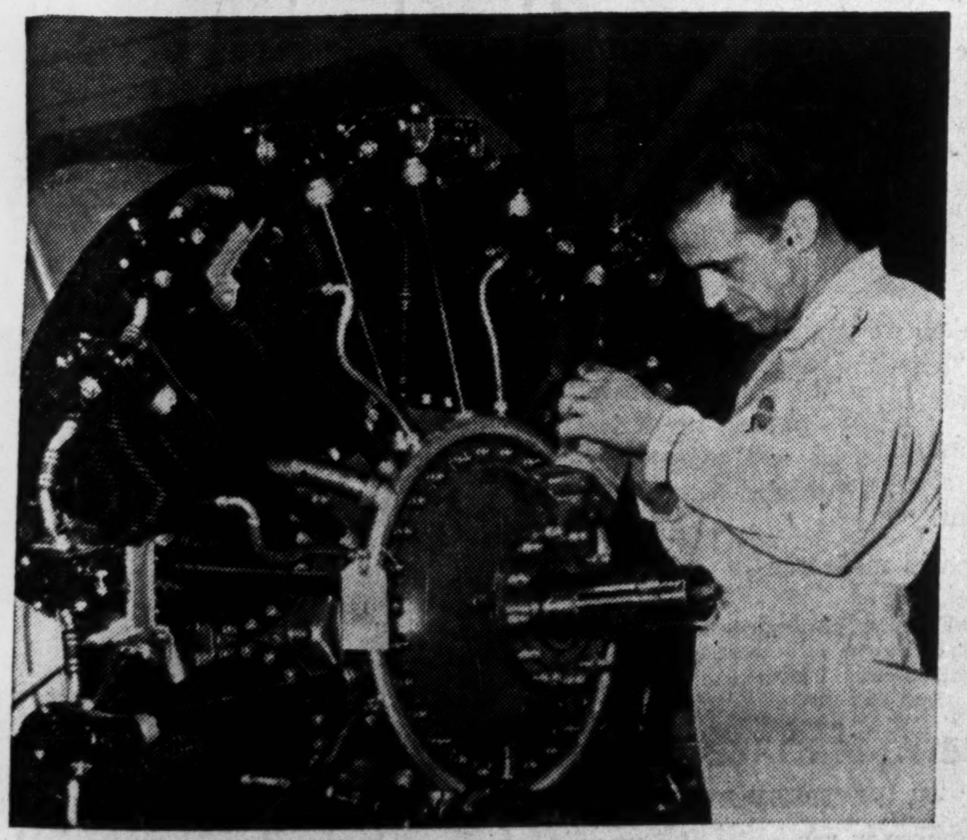
At this stage, the Air Corps Cadet corresponds to the graduate of the Service Flying School in Canada. In both instances, the student is sent to an operational training unit after receiving his wings, for between 50 and 60 hours of operational training on combat types.

The U. S. Army Air Corps estimates the cost of training a pilot at $25,000. The corresponding figure for the A.T.P. graduate pilot has been roughly estimated at $20,000, with the training of an observer at $22,000 and the production of a wireless air-gunner at $8,750.

United States experience, on the other hand, has demonstrated the value of pre-entry flight training in the form of the vast C.A.A. Civilian Pilot Training Programme. At the end of 1941, it was reported that one out of five aviation cadets was a C.P.T.P. graduate and 4,817 C.P.T.P. students had en-

(Continued on page 11)

How Britain Laid Foundations of Today's U. S. War Industry



"If the American aircraft industry is now beginning to feel its strength . . . it is largely because in the early pre-Pearl Harbor days, the British government poured some $1,500,000,000 into that industry.

By STAFF WRITER

WASHINGTON.—Today the industries of the United States are pouring out a torrent of planes, tanks, guns, ships and other weapons of war.

A miracle of "conversion" has been performed. The automobile industry is 100% on a war basis; the aircraft industry the same. Mudflats have become huge shipyards. Thousands of factories have been turned into arsenals of war.

This miracle is a strictly American achievement; a tribute to William S. Knudsen, and even more so, to Donald M. Nelson; a tribute to American industrial management, technicians and workers.

But in Washington there is a disposition—in giving credit where credit is due—to recognize that it was British orders, paid for with British cash-on-the-barrelhead — that laid the foundation for this vast United States war industry.

Three Canadians were the men who spent this British money: Arthur B. Purvis, first chairman of the British supply organization in this country, Morris W. Wilson and E. P. Taylor, his successors.

They are the men who badgered American industry to swing into all-out war production. They handled the complex and delicate political and diplomatic problems of the pre-Lease-Lend days. They laid British cash on the line to build airplane factories, to convert heavy industries into tank plants, to expand American war industries at their most critical bottleneck — aircraft engines. They got new enterprise and genius into shipbuilding.

British "Cash - on - the - barrelhead" Was Poured Without Reserve Into America in Early Months of the War

They are the men who got the dynamic Kaiser group into shipbuilding; the Packard Motor Car. Co. into the making of Merlin engines; big steel mills into armor plate. They are the men whose orders expanded the American machine tool industry several-fold.

It was British money—the American investments that British investors had accumulated over a term of more than a century—that paid the bills for this new plant expansion.

Between the outbreak of war and the introduction of Lease-Lend, that is to say between Aug. 31, 1939 and Sept. 1, 1941, a period of two tough, back-to-the-wall years, Great Britain turned into dollars the following U. S. assets:

Gold	$1,887 millions
Private dollar balances	235 millions
Marketable securities	723 millions
Other investments	115 millions
Total	$2,956 millions

Included above is $100 millions only of a total of $500 millions of assets pledged against a loan from the Reconstruction Finance Corporation.

Since then some further British dollar assets have been turned into cash, the amount not being definitely known.

How close Britain had come to scraping the very bottom of the barrel of its available resources in the United States can be demonstrated by further figures indicating the value of additional British assets in the United States as of September 1 last. These were estimated to be:

Gold	$151 millions
Dollar balances	54 millions
American securities:	
Readily marketable	105 millions
Others	52 millions
Private dollar balances (not readily converted into cash)	310 millions
Branches of British insurance companies, estimated value	200 millions
Trusts for British beneficiaries (not readily convertible into cash)	290 millions
Total	$1,162 millions

It adds up to this: including assets pledged against the RFC loan, Britain had, by September 1 last, turned into cash or arranged to pledge $3,356 millions out of a total of $4,518 millions of assets in the U.S.A. Most of what is left is not easily marketable.

How this cash gave the United States its vast armament industry is a story worthy of being put on the record.

Two years before the American government was ready to provide the necessary millions in cash to American manufacturers to bring about needed expansion, the British government was paying over hundreds of millions of dollars to the makers of aircraft, aircraft engines, ordnance, ammunition, machine tools, motor vehicles and ships. Altogether, since the war began in Sept., 1939, the British government has placed over $3.2 billions in cash contracts with American industry.

That figure is of course swamped in any comparison with current Congressional appropriations. But the $3 billions was a deciding factor in the creation of new plant capacity and the all-important industrial "know-how" which are now so desperately needed.

In addition to private plant expansion which resulted from placing British contracts, Britain spent some $200 millions directly in capital assistance to corporations making planes, tanks, guns, etc.

Take the airplane industry for example. If the American aircraft industry is now beginning to feel its strength as one of the largest potential producers of aircraft in the

(Continued on page 11)

Pulp and Paper Profit Margin Declines

Higher Costs Problem to Newsprint and Pulp Operators

By JOHN E. LANGDON

MONTREAL.—Industry's common wartime problem of meeting rising costs is further complicated in the pulp and paper group by the problem of a probable decline in demand.

Labor costs have risen comparatively sharply. Materials are higher. Maintenance charges run high and more and more difficulty is being experienced in securing supplies. Moreover, and of equal importance, at least to the newsprint producers, is the falling off in sales which brings in its wake an automatic rise in unit costs.

Most pulp and paper security holders assume the premium received on sales made in U. S. dollars has more than offset the rise in costs.

This condition undoubtedly applied during the first year of the war, especially in the newsprint and pulp divisions.

Premium Eaten Up

Such is not the case today. The premium has been eaten up in higher costs. Where the pulp and paper makers made their money was in the substantial increase in volume which brought down unit costs and thus increased net profits.

The change-over to the point where the rise in costs became a major problem cannot be determined with any degree of accuracy. However, it is not without significance that last summer newsprint producers were talking about higher prices and in December actually announced an advance of $3 a ton to become effective April 1 this year. This was the first change in price policy since the beginning of 1938—a record equalled by very few if any other international commodities.

Price Increase Blocked

Pulp producers were more fortunate in that they advanced their price after war was declared, but the rate on export sales, especially in the United States, has remained the same for some time. However, about the same time the newsprint producers announced their intention of an upward revision of the price schedule on export sales, similar action was taken by pulp producers.

In both cases the price advance was blocked by the Office of Price Administration in the United States. There is just a chance the OPA may change its stand but prospects are not overly promising.

Other branches of the industry have been more fortunate, largely because they look to the domestic market for a larger share of their business. They adjusted prices to meet the rise in costs until the price ceiling came into effect.

Of General Concern

The problem of rising costs concerns all branches of the industry, and the newsprint and chemical pulp producers in particular. Chemical pulp operators have a ready market for all they can produce.

Newsprint manufacturers, on the other hand, are beginning to experience a falling off in demand. Sales during the first four months compared favorably with the like period last year. For the balance of 1942, however, the trend definitely points downward.

Export sales are off due to lack of shipping, rationing and other factors. American demand is now reflecting the accumulation of stocks by publishers in recent months. Indications are the publishers are drawing upon these surplus stocks and limiting deliveries.

Conservation Plans

Another factor influencing the demand for newsprint by American publishers is the active measures taken by the latter to conserve newsprint. A large number of schemes have been put into effect, or are about to be adopted, designed to save on use of newsprint paper. While under other circumstances, advertising volume and circulation, would result in a certain consumption of newsprint paper, under the conservation methods in force, less newsprint will be used.

Higher Wood Costs

Foremost on the cost side is the matter of wood costs. The diversion of labor into war industries and enlistments in the armed services have limited man power available for woods operations. Wages have advanced. Food and other camp supplies are considerably higher in cost. In some areas woods operations have been influenced by strongly competitive bidding from U. S. buyers.

Place Price Ceiling

The situation has been regularized of late through bringing all pulpwood contracts under jurisdiction of the Timber Controller who at the same time has set price ceilings.

This gives the operators some relief in that they know their top prices for wood. However, it should not be overlooked that the prices set by the Timber Controller are substantially above those prevailing prior to the war.

Transport Charges Up

Transport charges have advanced on both the movement of raw materials and finished goods.

Freight charges on pulp and paper moving into the United States were increased recently by an average of 50 cents a ton.

Shipping costs are very much higher on both inland, coastal and ocean freight.

In certain instances part of the increase in shipping costs on overseas trade were absorbed by the manufacturers, as the advance was so great it was impossible for the buyer to absorb all of the additional charge without materially reducing his volume of purchases.

Maintenance Higher

Mill repairs and maintenance have gone up in cost since the outbreak of war. Many replacement items are imported from the United States and upon which the operators have to pay special duties and the premium. Moreover there have been difficulties in securing priority ratings on supplies.

The general costs common to all industries have to be faced. Mill and office wages have had to be increased. Cost-of-living bonuses paid. Administration charges have mounted.

Again, it must be remembered that pulp and paper plants are designed to operate most efficiently at near capacity levels and are, in most instances, capitalized on the same basis.

Fortunately all branches of the industry, with the exception of newsprint, are operating at or near their effective capacity and have got their unit costs down to a very low level.

Unit Costs Rise

Newsprint operations declined in April and promise to continue falling off. This means administration, overhead and general charges per ton of newsprint produced will tend to rise steadily between now and the end of the year.

Though the costs problem confronting the industry appears to be greater for newsprint than for the other branches, it should be borne in mind that newsprint manufacturers are taking up the slack by producing other products.

Manufacture of nine point corrugating paper, which played such an important role in last year's financial returns, has now receded to a point where it is of minor importance as a revenue producer.

Turning to Pulp

The slack has been taken up by manufacturers increasing their output of groundwood and sulphite pulps for sale on the open markets. The demand for these products, especially in the United Kingdom, is strong. As a consequence the newsprint industry is turning over a larger share of their pulp-making equipment to making pulp for sale rather than for further conversion.

This development, which has been more prominent since the beginning of the year, will undoubtedly help newsprint manufacturers keep costs in hand.

Taxes Important

Though newsprint has been classed by the Federal taxing authorities as a "depressed" industry, the pulp and paper operators, individually and collectively, pay very substantial income and "excess" profits taxes.

It is possible, in view of the heavier financial programme undertaken by the Dominion government that tax rates will be boosted under the new budget. Though there is nothing official to go on at this time, it would be unsafe to assume the present corporate tax structure will remain unchanged.

The problem of meeting higher costs and possibly larger taxes would automatically solve itself in part for the newsprint and pulp divisions, if they can secure an upward adjustment of price on sales made in the United States. As already mentioned, prospects are not overly promising, but there is the possibility the OPA may take positive action.

Economies effected by the operators have been helpful. But with most of the industry working to capacity and further savings likely to be of a minor character, it is difficult to see how the pulp and paper operators can do more than hold, let alone increase, their margin of profit during 1942.

Abitibi Ups Output in '41

Liability to Bondholders Reduced By $2.4 Millions During Year

Newsprint manufactured by Abitibi Power & Paper Co. and its wholly-owned subsidiaries in 1941 amounted to 454,840 tons as compared with 430,299 tons in 1940, states G. T. Clarkson, receiver and manager in his tenth annual report. To comply with prorating requirements this newsprint was manufactured in the following mills:

Newsprint Production

	1941 Tons	1940 Tons
Iroquois Falls, Ont. ...	131,351	135,844
Sault Ste. Marie, Ont. ..	79,211	74,449
Port Arthur, Ont.	65,732	61,526
Fort William, Ont.	44,979	38,671
Beaupre, Que.	65,536	60,270
Pine Falls, Man.	68,031	59,539
Total	454,840	430,299

In addition to this newsprint, Abitibi last year made 19,287 tons of substitute wood fibre products and pulps of various types as follows:

Pulps Manufactured for Sale

	1941 Tons	1940 Tons
At Smooth Rock Falls:		
Bleached sulphite ...	60,582	51,927
Unbleached sulphite .	948	8,022
Screenings	2,272	1,891
At newsprint mills:		
Newsgrade sulphite ..	28,454	13,542
Groundwood	968	......
Total	93,224	75,926

Regarding prices received for the various products, Mr. Clarkson states that newsprint price remained at $50 a ton in U. S. funds, f.o.b. mill with freight allowed to destination. He refers to the abortive attempt to increase U.S. export price to $53 a ton and adds that "as the date hereof no increase over the 1941 price—for newsprint to be consumed in Canada—had been approved by the Wartime Prices and Trade Board."

Price of bleached sulphite, delivered at New York dock, was $72.50 a ton in 1941 as compared with an average of $66.62 a ton in 1940 and $50 a ton in 1939. Prices of newsgrade sulphite pulps, delivered in New York, were $59.50 a ton in 1941, as compared with an average of $53.37 a ton in 1940 and $36 a ton in 1939.

Changes took place in liabilities to bondholders during the year. $6.3 millions was repaid on principal of the bonds and another $4.8 millions was paid April 15, 1942, after the close of the company's year. Comparison of liabilities to bondholders as at Dec. 31 in the past two years follows:

Liability to Bondholders

	1941 $	1940 $
Principal of bonds ...	41,992,290	48,267,000
Interest to Dec. 31	24,270,551	21,922,562
Interest on o'rdue int.	5,832,099	4,706,032
Tax rebate res.	17,636	17,636
Total, Can. funds	72,112,576	74,913,231
U. S. prem. at 11% ...	8,623,393	8,240,456
Total incl. U. S. funds	80,743,159	83,153,687

Mr. Clarkson reviews briefly the events taking place in 1941 as regards eventual reorganization. Decision of the Ontario Court of Appeals to grant right to carry the liquidator's appeal against the sale order to the Privy Council was not handed down until after the date of Mr. Clarkson's report. He mentions that Robert H. Reid, general manager of the London Life Insurance Co., took his late father's place on the bondholders' protective committee.

Company Reports

M. & O. Paper

A gain of almost $2 millions in net sales is reported by Minnesota & Ontario Paper Co. for the first quarter of 1942. A net profit is shown for the 1942 period, after payment of interest on income mortgage bonds and depreciation, equivalent to 29 cents a share on the common stock. In the 1941 period a small loss was reported.

R. H. M. Robinson, president, tells shareholders that provision for income and excess profits taxes has been made having regard to recent recommendations of the secretary of the treasury but such provision may require modification on enactment of new tax legislation.

Delivery of the turbo generator for the steam plant addition at International Falls, authorized in March, 1941, is still held up. Balance of additional facilities have been installed and are in operation. The power situation is presently satisfactory. Marked deficiency in rainfall since the first of the year has been overcome to a moderate extent within the past few days.

Consol. Income and Surplus Account
Three Months Ended March 31

	1942 $	1941 $
Net sales	6,171,824	4,208,123
Less: Cost of sales ...	4,287,686	3,715,855
Operating profit	1,884,138	492,268
Add: Other income ..	17,808	48,574
Less: Admin. & gen. exps.	497,583	378,361
Total earnings	1,404,362	162,481
Less: Interest	120,393	152,500
Income & E. P. taxes	899.400	24,000
Net profit	384,569	*14,019
Add: Gain on bonds ..	27,211	......
Less: Jan. & Feb. loss elim.	......	49,397
Surplus	411,780	35,378

Abitibi

Last year Abitibi Power & Paper Co. earned $10.1 millions which could be applied to depreciation, income and excess profits taxes and bond interest. This compares with $8.2 millions earned on a similar basis in 1940.

G. T. Clarkson, receiver and manager, points out that no accurate estimate of the company's liability for income taxes can yet be made and that no provision has been made for payment. He believes, however, that payment on account of 1941 earnings will not be less than from $750,000 to $1 million. With regard to actual earnings available for bond interest he says:

"Should they ultimately prove to be $1 million, 1941 earnings which would be available for payment to bondholders (after charges of $4.5 millions for depreciation) would be $4.6 millions. Interest for the year on the bondholders' claims—including interest on overdue interest—amounted to $3.5 millions, exclusive of the premium on United States funds therefor (as may be demanded) and $3.9 millions, including the present premium of 11% for purchase of such funds."

Last year Abitibi spent $1.7 million on maintenance and repair of its mills and properties compared with $1.6 million in 1940. Capital improvements last year required $340,290.

Mr. Clarkson points out that Hearst companies owed Abitibi $1.6 million at Dec. 31, 1941, approximately the same amount as a year earlier. A reserve of $750,000 has been set aside for this account, which is believed adequate for the purpose.

Balance sheet as at Dec. 31, 1941, shows a gain in net working capital of $3.6 millions, subject to whatever income tax payment may have to be made.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Income:		
Newsprint, pulp sales	25,824,784	22,539,190
Power sales	1,213,456	960,040
Total oper. income ...	27,038,240	23,499,230
Less: Oper. costs	18,523,349	16,535,524
Operating profit	8,514,891	6,963,706
Add: U. S. fund prem.	1,858,651	1,458,787
Interest, etc.	146,898	148,690
Total earnings	10,527,440	8,571,183
Less: Receiver's remun.	48,000	48,000
Sabotage protection.	114,054	111,094
Legal & audit	48,000	48,000
Depreciation	4,500,000	4,500,000
Idle mill costs	127,508	147,618
U. S. tax. on int. rec.	39,208	20,715
Spec. receivership costs	24,171	8,251
Bal. avail. int. & taxes	5,626,499	3,687,505
Add: Prev. receiver. surplus	13,615,309	9,930,930
Less: Adjustments ...	23,921	3,128
Inventory & conting. res.	1,500,000	......
Balance forward*	17,717,884	13,615,309

*Before providing income and excess profits taxes or bond interest.

Working Capital

	$	$
Current assets	24,273,797	20,425,161
Current liabilities	1,800,908	1,596,789
Working capital	22,472,889	18,828,372

Balance Sheet Changes

	$	$
Cash	8,156,150	6,490,713
Investments	2,221,220	1,620,003
Accts. receivable	2,842,169	2,687,532
Inventories	6,950,570	6,141,079
Funded debt	41,992,290	48,267,000

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92

Price Brothers & Co. has due to unstable world conditions deferred the question of dividend payment on the common shares, according to H. J. Symington, K.C., chairman of the board, at the annual meeting. Edward Flynn, Quebec, was elected vice-president in charge of manufacturing. Other officers and directors were returned without change. Reports were approved.

Britain Aids U. S. Industry

(Continued from page 9)

world, it is largely because, in the early pre-Pearl Harbor, pre-Lend-Lease days, the British government poured some $1,500,000,000 into the aircraft industry of which about $89,000,000 was in capital assistance to aircraft companies to pay for expansion of plant facilities.

The British and French found two years ago that American capacity for airplane frames was fairly adequate, but that there was hardly any airplane engine and propeller industry at all. Capacity for engines and propellers had to be built from the ground up with the British paying for land, buildings, plant alterations and, most important, machine tools. This assistance went in the main to the Packard Motor Co., the Allison Division of General Motors, the Pratt & Whitney Aircraft Co., the Wright Aeronautical Corp., the Bendix Aviation Corp. and the Curtiss-Wright Corp.

If the U. S. government were faced today with the job of creating a complete airplane engine and propeller industry it would take two years to do it.

British contracts are now almost completed and plant capacity is becoming available for American contracts. Not only is the plant capacity available but the trained workers and managers have had two years' experience on which the U. S. can rely.

Flow of Information

Besides production capacity, of course, a second most important contribution of Britain to the U. S. has been the provision of technical and scientific information to American military experts and engineers.

Daily, British engineers and technicians attached to the purchasing missions and a special group of extremely able British scientists supply to the U. S. government secret information about British scientific research and battle experience. Complete data in the possession of the British about German equipment is also furnished, either through Washington or direct to American representatives in Britain.

Most of this information cannot even be described in general terms for obvious security reasons, but some of it can be described briefly.

One of the most interesting devices developed by British scientists and adapted for use in the U. S. air force is the astrograph. This instrument, by tracing the curves of the stars, enables the navigation officer to find his exact position and chart his course without the usual mental calculations. It greatly simplifies navigation. Astro-navigation tables have been compiled by the British Air Ministry and turned over complete to the U. S. government for use by the American army and navy.

Biggest Gift—Radiolocation

Most important has been the British development of the radio locator far beyond anything available in the United States. Full information has been furnished the American government on this most important technique which was an essential factor in enabling the British to beat off the German air attacks on Britain.

In addition full details on all other military research in radio have been supplied to the U. S.

The list of important military information Britain has given freely to the U. S. is virtually endless. Here are some typical items:

Full information about German tanks.

Full disclosure including handbooks and drawings of anti-submarine equipment.

Information on special explosives.

All information covering aviation medicine. Studies of shock and of night vision.

Full information of specifications and performance under battle conditions of British naval vessels.

Information and research on magnetic mines, de-gaussing equipment and so on.

Launching the Ship Industry

The shipbuilding story is significant. British contract merchant ships were the first down the ways in the Maritime Commission's merchant ship programme. A contract for 30 merchant ships was signed late in 1940 with the Henry Kaiser associates on the west coast. The order was the impetus that set Kaiser off on his remarkable expansion of west coast shipbuilding. Kaiser had built the Boulder Dam and he was a stockholder in the Todd Shipyards but he was not a shipbuilder until the British made him one. The Kaiser associates will build over half of the merchant ships scheduled under the emergency programme.

In addition, the basic design for the American "Liberty" ship was supplied by the British, modified slightly by the Maritime Commission, and then incorporated in the U. S. production programme.

British tank and ordnance orders in this country dating back to the middle of 1940 have had a significant effect on American industry. It is estimated that 25% of maximum U. S. production of medium tanks will come from firms whose productive facilities were developed by British contracts.

An even larger per cent of all armor plate will probably come from former British contractors. In addition to the value of having these plant facilities available is the important consideration that, thanks to British contracts, there are a large body of workers and managers skilled in making tanks.

American military experts have access to British battle experience with tanks and important contributions have been made to America's tank programme as a result, notably in the design of tank turrets and their operational mechanism. The British have been of considerable help in informing Americans on the techniques of armor plate production.

Machine Tools Treble

A bottleneck in the present war is machine tools. In this sphere, British contracts have been of immense help. For it was not until the U. S. entered the war that any considerable sums of money were spent by the American government in the industry. Up until the advent of lend-lease, it had been the French and later the British contracts that supplied the ready money on which machine tool makers could expand and develop their plants. Recognizing the importance of machine tools in the war, the British government authorized the British Purchasing Commission to execute "float orders," the main object of which was to expand capacity of the industry. The float orders had the effect of forming a pool of machine tools from which the British could draw according to their needs and, incidentally, on which later the United States drew heavily. Float orders were placed with general overall requirements in mind; that is, without definite or specific knowledge of individual needs. Those orders, however, enabled the Purchasing Commission to give the manufacturers an idea of the magnitude of the load they were expected to carry as well as supplying the money with which to do the work.

Of course, before mid-1940, private companies in England had placed substantial contracts with machine tool firms in this country.

Some idea of the importance of the British contracts to the industry may be obtained from the fact that while the normal volume of the American machine tool industry is $250 millions a year, its volume by the end of 1941 was $750 millions. By mid-1940 the volume had risen to $350 millions chiefly as a result of private orders from France and England. But the difference between $350 millions and $750 millions could be traced to the impetus given the industry by British contracts.

The value of increasing the capacity of the industry may be understood from the fact that the U. S. government estimates that it will need a $1,500 millions industry by next year. Consequently they have adopted the same methods to expand the industry earlier found effective by the British. They are forming a machine tool pool with their orders.

One other important effect of British orders was the early encouragement of sub-contracting later expanded by O.P.M. The British realized that, with 75% of munitions production, it was not necessary to use extremely elaborate, up-to-the-minute equipment. They, therefore, ordered large quantities of the more simplified, somewhat older models which were already in wide production in smaller firms. The older machine tools turned out just as perfect workmanship as the new types, it was just that they couldn't do as many things. The most important item about them was that they had fewer parts and therefore took fewer man-hours to produce. Their production did not interfere with the schedules of the larger firms making more up-to-the-minute equipment, since orders for them could be and were sub-contracted without difficulty.

Machine tool supply has not been a completely one-way U. S. to Britain proposition. For certain machine tools, particularly those used in shipbuilding and heavy industry, Britain had a larger productive capacity at the beginning of the war than did the U. S. In order to get the U. S. started on certain programmes, Britain has actually taken some of her machine tools out of her factories and shipped them to the United States.

Indeed, the latest transaction of this kind calls for the equipment for a complete shell factory to be sent to the U. S., together with layouts showing production procedures.

New Pattern For United Air Might

(Continued from page 9)

listed in the Army or Navy for military aviation training. Studies at the elementary flying schools showed that 30% of aviation cadets without previous flying experience were being "washed out," while only 17% of the C.P.T.P. graduates failed to make the grade.

Both in Canada and the United States the fundamental importance of thorough training in instrument flying has become recognized, with the result that this type of training receives a great deal of attention even in the elementary schools.

Another important lesson which the experiences of warfare have driven home is the outstanding importance of the observer in the aircrew.

Despite the popular tendency to give the pilot most of the credit and all of the glamour, authorities in the R.C.A.F. and the R.A.F. overseas recognize that if any one man in the bomber crew is of greatest importance, he is the observer rather than the pilot.

The observer is responsible for directing the plane to the target, for aiming and dropping the bombs on the objective, and for plotting the return flight. The pilot merely follows the observer's instructions. It is reported from overseas that quite recently precedent has been shattered by placing the observer in charge of the aircraft, rather than the pilot in some instances.

The Air Training Plan has pioneered in one important phase of pilot selection with the result that a similar technique may be adopted elsewhere. In the Initial Training School where the recruits are selected for either pilot or observer training, the Visual Link trainer has been developed as a precise "yardstick" of inherent flying ability. It simply provides the instructor with an accurate indication of the recruit's natural co-ordination with control column and rudder. By standardizing the tests on the visual Link and by carefully checking their markings against the actual findings of the flying instructors in the later stage, the I.T.S. experts have been able to perfect this form of pre-selection to a high degree.

Finally, there is the important consideration of meshing training methods with combat requirements. The directors of training in Canada have had the benefit of experienced advice from combat pilots returning from overseas, while the American forces have sent their own official observers to the British battle front and now are getting combat experience in the Pacific.

Bell To Spend $13.7 Millions

Outlay Will Go to Provide Long-distance Facilities

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada plans total outlay on new construction in 1942 of $13.7 millions, according to C. F. Sise, president.

The largest item in the long distance programme this year is the new cable from Ottawa to Montreal. A start is being made at the Toronto end of what will eventually be a similar cable between Ottawa and Toronto. Heavy growth in telephone traffic to the maritime provinces is being taken care of by additional cable, open wire and carrier facilities east from Montreal to the New Brunswick border.

Policy of restrictions in telephone installations is working out satisfactorily, says Mr. Sise.

"These necessary restrictions in installations do not mean that there is not a substantial telephone job to do this year. While practising every possible economy in the use of materials, reconditioning used apparatus and employing many substitute products, we have a substantial job to do in keeping telephone plants in condition to maintain a high standard of service. Long distance particularly, being so vital to the war effort, must be kept equal to demand, as one of the essential services."

Manitoba Farming Seen Improved

Demand for all types of farm produce is such that farmers can look with renewed hope, stated Sidney Grimble, retiring president of the Manitoba Mortgage Loans Association, at the annual meeting of that organization. Mr. Grimble pointed out that the provincial department of agriculture in its 1941 report on crops and livestock gives the estimated net agricultural production per farm at $884 for 1936, $1,298 for 1939 and $1,784 for 1941.

In the field of farm mortgages there has been some improvement and some betterment in the outlook for the future. Manitoba is fortunate in one respect, said Mr. Grimble, in that not more than 35% of its total farm income is derived from the sale of wheat.

Elected for the ensuing year were: president, A. R. Purchase, Mutual Life of Canada; Vice-president, H. M. Morrison, Great West Life Assurance; W. Bartholmew, Monarch Life Assurance; R. W. Pearson, National Trust.

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NATIONAL WAR LABOUR BOARD

COST OF LIVING BONUS

The Dominion Bureau of statistics has found that the cost of living index number for April 1, 1942, of 115.9 (adjusted index 115) has not risen by one whole point or more over the index number for October 1, 1941, of 115.5 (adjusted index 114.6). Accordingly, the National War Labour Board, pursuant to the provisions of Section 12, of Order in Council P.C. 8253, determines and announces, for the period May 15, 1942, to August 15, 1942, subject to the right of employers or employees to apply to a War Labour Board for authorization of payment of such an amount of cost of living bonus as a Board may determine to be "fair and reasonable", under the provisions of the Order, that:

(a) There shall be no change in the amount or precentage of cost of living bonuses presently being paid;

(b) An employer who has not been paying cost of living bonuses may not begin to pay such bonuses.

By Order of the National War Labour Board,

Ottawa, Canada
May 12, 1942

HUMPHREY MITCHELL
Minister of Labour and Chairman

Your Investments

Gatineau Power

I have wondered whether or not it would be a good deal to buy Gatineau 5% preferred stock. It seems to me the company should be able to pay the dividend on the preferred even though it might have to cut the dividend on the common.

Gatineau Power 5% preferred stock is regarded as a sound security. The stock has declined in value well below par because of uncertainty over the company's position in respect to net earnings because of heavier taxation. Any further large increase in taxation might affect the ability of the company to pay its common dividend. On the other hand, earnings are on a basis warranting the belief that the company will have no difficulty in paying the preferred dividend. A further point to consider in connection with this stock is that Gatineau Power Co.'s facilities are fully utilized and it has carried out no major expansion in connection with the war effort. As its output is under long-term contract, this company is in an excellent position to readjust itself in the postwar period. This might not be the case with other utilities which may have to face the problem of marketing large blocks of power now being used in war industries.

B.A. Oil

Can you give me some information regarding the position and outlook for British American Oil Co.? Does the company derive earnings from its operations in the United States?

British American Oil Co. has issued its 1941 annual report showing net profits equivalent to $1.05 a share from Canadian operations alone, compared with $1.11 a share in 1940 on the same basis. Sales were again higher and operating earnings substantially improved. A special inventory reserve and higher taxes reduced net profits. The company pays $1 a share in dividends and the margin of earnings from Canadian operations alone has become somewhat narrowed.

Its position in Canada is little different from that of other oil refining and marketing companies. Reduced sales to civilian users are in prospect which will likely increase the cost of marketing per unit. Perhaps the total volume of oil refined and sold will not change materially with war needs making up for the reduced civilian use. Determining factor here is likely to be available crude supplies. Sometime this year British American will get benefit from its new refinery at Clarkson. It is making steady progress in reducing its funded debt and has a satisfactory working capital position.

In its operations in the United States, the company has had considerable success. Earnings of U.S. subsidiaries engaged in exploration and production of crude oil were higher last year and repayment of $502,000 in advances to the parent company was made. No dividends have been received from this source since 1939. Suggestion is made in the latest annual report that favorable developments continue to be obtained in operations in the United States.

National Light

Can you give me some idea of the standing and business of National Light & Power? I am particularly interested in this company's bonds.

National Light & Power Co. operates and owns the electric light and power system of Moose Jaw, Sask., and also sells electricity at wholesale to the Saskatchewan Power Commission and Prairie Power Co. for distribution in neighboring villages and rural territory. The company's franchise in Moose Jaw is an exclusive one which has been extended to May 23, 1961, at which time the city has the right to recapture the property at actual replacement value.

Interest charges on this first mortgage have been earned about twice after depreciation in recent years. The company established a new high in power output last year, following a similar record in 1940.

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 11

Range 1942 High	Low	Div Rate $	May 9 Y'ld %		Sales	Last May 4	Week end. May 11 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	1200	.50	.55	.50	.50
7	4½	.	...	Do. pref. 6%	585	5	5	4½	4½
25	13	.	...	Do. pref. 7%	10	14	13½	13½	13½
3	3	.	...	Acme Glove	5	3	3	3	3
60	50	6.50	13	Do. pref.	1	53½	50	50	50
13	12	80+20c	8.3	Agnew Surp.	5	12	12	12	12
110	109	7	6.4	Do. pref.	....	(109 bid — asked)			
.90	.75	.	...	Alta. Pac. Gr.	25	.75	.75	.75	.75
27	21½	.	...	Do. pref.	....	(21 bid 24 asked)			
9½	8½	.	...	Algoma Steel	206	8½	8½	8½	8½
82	82	5	6.1	Do. pref.	....	(84 bid 92 asked)			
109	96	8+2	9.8	Aluminium	270	100½	102	100½	102
115	112	6	5.3	Do. pref.	....	(113½ bid — asked)			
7½	6	25c	...	Amal. Electric	....	(5½ bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
41	40	2.75	6.9	Ang. Can. Tel. p	....	(— bid — asked)			
19	17	60+60c	6½	Asbestos	108	17	18½	17½	18½
18½	14	1.75	12	Assoc. Brew.	100	14	15	14½	15
112	109½	7	6.2	Do. pref.	4	111	112	112	112
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
†24	24	96c	...	Do. pref.	....	(— bid 23 asked)			
102	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			
				B					
150	142	8	5.4	Bk. Can. Nat.	20	148	148	148	148
189	180½	8	4.4	Bk. Montreal	170	181	181½	181	181
275	269	12	4.4	Bk. N. Scotia	4	272	272	272	272
255	228	10	4.3	Bk. Toronto	....	(231 bid — asked)			
8½	8½	35c	...	Barber Ellis	....	(6 bid — asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.50	.	...	Barker's Bread	....	(.75 bid 1.50 asked)			
17	12	.	...	Do. pref.	10	17	17	17	17
14½	13½	1+25c	8.7	Bathurst Pr.	815	14	14½	14	14½
2½	1	.	...	Do. (B)	30	1½	1½	1½	1½
5	3½	80c	...	Beath & Sons	95	5	5	5	5
8	6½			Beatty Bros.	....	(6½ bid 7 asked)			

Range 1942 High	Low	Div Rate $	May 9 Y'ld %		Sales	Last May 4
16½	14½	1	6.1	Ford Motor A.	2122	16
17	14½	1	6.2	Do. (B)	25	16
.15	.15	.	...	For. Pr. Secs.	....	(— b
16½	13	1+50c	10½	Foundation Co.	....	(— bi
13	7	.	...	Fraser Cos.	100	10
13½	9	.	...	Do. Vot. Tr.	455	9
.50	.50	.	...	Freiman	....	(.50
55	55	‡4.50	...	Do. pref.	5	..
6	4½	60c	11.3	Gatineau Pwr.	535	5
74	61½	5	6.9	Do. pref.	162	70
80	70	5.50	7.2	Do. 5½% pref.	....	(74
†1.25	.25	.	...	Do. Rights	....	(—
6½	5	50c	...	Gen. St. Wares	185	5
92	86	7+53c	8	Do. pref.	10	88
60	31½	2.50+2.50		Goodyear Tire.	10	32
49½	39	2.50	5.6	Do. pref.	62	42½
†67	67	‡7	...	Gould Pumps	....	(—
†4	2½	.	...	Gt. Lakes Pap.	....	(—
†16	16	1.50	...	Do. pref.	....	(—
2½	1	.	...	Do. Vot. tr. c.	20	1½
16½	11½	1.50	...	Do. Vot. tr. p.	378	13
4½	4	.	...	Gt. W. Saddlery	....	(3½
28	25	3	...	Do. pref.	....	(22
11½	10	60c	6	Greening Wire	....	(10
‡1.25	1.25	10c	...	Growers' Wine	....	(—
2½	2	.	...	Gurd, Chas.	....	(2
‡107½	106½	.	...	Do. pref.	....	(—
3½	2½	.	...	Gypsum, Lime	80	3
				H, I		
14½	14½	1	...	Halifax Fire	....	(14
3½	2	.	...	Ham. Bridge	25	3
36	28	2	6.7	Ham. Cot., pf.	25	28
1.50	.65	.	...	Ham. U. Theat.	....	(.50
75	73	5	6.8	Do. pref.	....	(5
3½	2½	20+10c	...	Harding Carpet	340	2
1.00	.25	.	...	Hillcrest Coll.	....	(.2
2½	2½	.	...	Do. pref.	....	(2
12	9½	‡25c	...	Hinde & Dauch	90	12
•20	20	.	...	Holt Renfrew	....	(
65	40	.	...	Do. pref.	50	4
			11.1	Honey Dew	25	1

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

May 13, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
3	Oct. '42	100½	101½	.55
2½	June '43	101	101½	1.10
5	Oct. '43	104½	105½	1.45
2	June '44	100½	101½	1.42
1½	Sept. '44	99½	100	1.50
a2½	Jan. '44	99½	100‡	2.25
4½	Oct. '44	106½	107	1.58
2½	Nov. '44	101½	102½	1.60
a2½	Aug. '45	99	99½‡	2.58
4	Oct. '45	103	103½	b1.46
2	Mar. '45	100½	101	1.65
2	Dec. '46	99½	99½	2.03
4½	Feb. '46	109	109½	1.86
2½	Mar. '48	99½	100	2.25
3½	June '49	102½	103½	b2.36
3½	Oct. '49	102½	102½	b2.29
3½	Nov. '51	101½	102½	b2.84
3½	Feb. '52	101½	102½	‡2.93
a5	May 52	100½	101½‡	...
4	Oct. '52	105½	106½	b2.75
a3	June '51	99½	100½	3.03
3	Oct. '52	99½	99½	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	107	107½	b2.66
a3	Mar. '54	99½	100	3.07
4½	Nov. '57	107½	108½	b2.85
3	June '58	99	99½	3.02
4½	Nov. '58	108½	109½	b2.93
4½	Nov. '59	109½	110½	b2.95
a4	Oct. '60	104½	‡105½	b3.22
a3½	Jan. '61	98½	99½‡	3.27
3½	June '66	101	101½	b3.10
a3e	Jan. '67	95	96‡	3.23
a3e	Nov. '68	95	96‡	3.22
†3	Perpet'l	94½	95½	3.14

Dominion Guarant'd Bond — Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101	.95
2½	Jan. '46	100½	101½	1.90
3	May '44	102½	103½	1.50
3	Dec. '50	99½	100½	2.92
3	Jan. '59	98½	99½	3.06
•4½	Sept. '51	117	118	2.34
•4½	Feb. '56	118½	119½	2.83
4½	July '57	118½	119½	2.93
3	Feb. '53	98½	99½	3.05
4½	June '55	120½	121½	2.84
5	Feb. '54	118½	119½	3.07
•5e	July '69	118	119	...
•5e	Oct. '69	122½	123½	b2.21
•5e	Feb. '70	122½	123½	b2.20

Can. Nat. W. Ind. S. S.:

%	Due	Bid	Ask.	Approx. Yld.
•5	Mar. '55	122½	123½	2.84

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	100½	101½	2.88

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	93	95	3.63
3½	Aug. '49	95	97	3.72
3½	June '56	95	97	3.77
c4	Nov. '47	104	106	b2.25
c4½	Apr. '[illegible]	107	109	3.83
c5	Jan. '60	110	112	4.05
Nova Scotia:				
3	Jan. '52	96½	98½	3.17
3½	June '58	98½	100½	3.20
3½	Nov. '50	100½	102½	3.16
c4½	Sept. '52	107½	109	b2.73
c4½	Nov. '60	111½	113½	3.50
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99½	100½	b2.86
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.93
3½	May '55	99½	102	b3.02
•4	June '62	109	112	3.20
4½	June '50	109	110	3.13
•4½	Jan. '62	116	118	3.27
5	Oct. '48	110½	111½	3.00
•5	Dec. '60	121½	123½	3.32
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.03
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	101	103	3.68
Quebec:				
3	Nov. '47	98	99	3.20
3½	Mar. '48	99	100	3.25
3½	Mar. '59	99	100	b3.50
4	Nov. '52	102	103½	b3.52
3½	Feb. '55	101	102	b3.50
4½	Aug. '58	106	109	3.32
4½	Jan. '63	111	113	3.82
Alberta:				
4½	Oct. '51	75	..	d
4½	Oct. '56	69½	71½	d
4	Dec. '54	66	69	d
•5	Oct. '50	72	74	d
c5½	Apr. '52	73	75	d
6	Mar. '47	74	76	d
British Columbia:				
c4	Dec. '57	101	103	3.75
•4½	Jan. '51	104	107	3.56
c4½	Oct. '53	107	109	3.54
c5	Apr. '54	112	114	3.56
5½	Feb. '45	103½	105½	3.44
6	Feb. '47	107½	108½	4.00
Manitoba:				
c4	Dec. '57	97½	99½	4.08
c4½	Dec. '56	99½	101½	4.38
•5	Dec. '59	103	105	4.50
5½	Oct. '55	103	105	4.94
6	Apr. '47	103½	105½	4.73
Saskatchewan:				
4	Sept. '54	81	83	5.96
4	Nov. '60	79	81	5.87
c4½	Oct. '51	89	91	5.74
c4½	Mar. '60	85½	87½	5.61
5	Aug. '58	88	90	5.96
5½	Oct. '52	94	96	6.02
6	Mar. '52	96½	98½	6.20

•-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ‡-Calculated to 1950 average maturity. •-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 12, 1942

Industrials:	Bid	Ask.
Acme Farm., pf.	46	48½
Andian National	26	27½
Anglo C. Tel., A	6½	7½
Atlas Steel	19	23
Brand. Hen., c.	3½	4½
B. C. Pulp, c.	9½	10½
Do., pfd.	60	65
B. C. Sugar	64	67
B. C. Tel., 1st p.	104	..
Brown, com.	1½	1½
Do., pfd.	26	27½
Burns & Co., A	3	4
Do., B	1½	2½
Can. Co-op. Wl.	8	..
Can. Indust., A	143	..
Can. Airways	1½	1½
Can. Ing. Rand	71	..
Can. Mot. L.A.B.	5½	..
Can. Tube, 1st p.	78	82
Chase, A. W., p	18	19½
Colonial Realty	2	..
Colonial Steam.	35	38½
Corr. Pap. Box c	1½	2
Copeland Fl. un.	13	15
Dunlop T. p. $25	15	17
Easy Wash. p $10	9	10½
Galt Brass, c.	9½	12
Goderich Elev.	7	8
Guard. Realty, p	14½	16½
Guelph Carp., c.	16½	18½
Gurney Fdry., p	1½	1½
Hayes Steel, c.	14½	16
Hi'land Dairy, p.	..	47
Inglis, John	3½	4½
Ingram & Bell, p	94	..
Kingst. Ship., un	..	39
Do., com.	6½	7½
Loblaw, Inc., c.	11	12½
Minn.&Ont. P. c.	3½	3½
M'row Screw, p.	100	105
Do., com.	13	15
Morrison Br. un	4	5
Moirs, Ltd.	18	21
Neilson, Wm., p.	100	..
N. Meth. Ldy., p	66	..
Ont. Tobacco, p.	18	20
Pac. C. Term., c.	..	6
Prov. Paper, pf.	100	102
Quinte Milk	2½	3½
Stand. Fuel, p.	50	54
Do., com.	½	1½
Stedman, pf. $50	52	55
Sutton Horsley	½	1
Tor. Carpet, c.	61	..
Do., pfd.	68	73
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	20½	22
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	123	132
Brockville Tr.	43	..
Capital Tr.	29	30
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	100	104
Guelph & O. $50	50	53
Indust. Mtge.	24	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	34	37½
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	3½	5
Do., A pfd.	57	61
Trusts & Guar.	31	34
Victoria Trust	67	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	340	370
Brit. Amer.	50	52
Canadian Fire	80	82
Confed. 30% pd.	127	136
Cons. Fire Cas.	3½	..
Continental L.	30	35
Crown, fully pd.	260	280
Dominion Fire	137	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 40% pd	71	74
Great-West Life	200	210
Federal, 25% pd.	52	54
Halifax Fire	14	15½
Imperial Life	260	270
Manufac. Life	216	221
Monarch Life	32	34
National Life	8	13
Sov. L., 25% pd.	12	14
Sun Life	230	250
Tor. General	4	5½
Wellington Fire	58	..
Western Assce.	39	41
Theatre Stocks:		
Allen's, St. Cath. units	54½	57
Do. Kings'n un	61	64
Loew's London p	2½	3½
Mansf. Theat., p	30	32
Para., Kitch., p	50	..
Do., Oshawa, c	7½	9½
Investment Trust Shares:		
Inv. Found. un.	43	44½
Sec's. Hold., pf.	19	21
United Corp., A	20	22½
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	26	28
Do., pfd.	100	..
Gt. Lakes Pr., p	101	104
Int. Util., $1.75 p	9	12½
Do., $3.50 pf.	25	27
Mtl. Isl. Pwr. p.	42	..
Nor. Ont. Pr. p	72	78

Unlisted Mines

Toronto, May 13, 1942

	Bid	Ask
Albany R (Old)	.01	.03
(New)	.04	.09
Amal Kirk	.02	.03½
Anoki	.01	.02½
Aquarius	..	.12
Arjon	.02½	.03½
Armistice	.02	.05
Argosy	.03	..
Area	.03½	.04½
Arntfield	.01	.02
Athona (New)	.00½	.01
Barb Lard	.01½	.03
Brock	.02½	.04
Belleter'e	1.50	2.00
Can Rad	.08	.10
Central M	.01½	.01½
Cheminis	.01½	.02½
Coin Lake	..	.03
Cons Chib	.03	.05
Delpine	.03	.05
Desantis (New)	.05	.07
Dona Pat	.01	.02
Eastward	.04	.05
Elmos	.03	.06
Franco	.13	.19
Galore	.00½	.01½
Goodrock	.32	.35
Hayes Cad	.02	.03
Hoyle new	.08½	.10
Hugh PaP	.02½	.03½
Kirk Gate	.00½	.01½
Kirk Town	.03	.06
Lacoma	..	.01
Laguerre	.02	.05
Lake Duf	.24	.26
Lake Gen	.05	.08
Lw Pete	.13	.16
Magnet C	.25	.28
Magnet L	.07	.12
Martin Bir	.01½	.03
Mata Can	.02	.04
Mata Con	.12	.14
McMar'ac	..	.09
Mof Hal n	.01	.02
Mosher	.04½	.06
McManus	..	.01½
Nat Mal	.09	.11
Nickel O	1.10	1.60
Norbeau	.15	.20
Norwin	.09	.10
N Ribago	.00½	.01½
Numalake	..	.12
Oklend	.02½	.03½
O'Leary M	.02	.03
Opemiska	.05	.08
Orpit	.02	.03
Pascalis	.07	.10
Pontiac R (Old)	.03	.05
Pelangio	.01	.02½
Polaris	..	.03
Proprie'y	3.30	3.55
Presdor	.02½	.03½
Que Man	.25	.28
Rand Mal	.08	.11
Red Lake	.00½	.01½
Ritoria	.00½	.01
Rouge	.01	.03
S.A.G.A.	.40	.75
Sachigo	4.50	5.00
Sheldon	.03	.04
Skynner	..	.01½
Springer	.10	.11½
Stadacona	..	.08
Thomson	.07	.10
Union Mn	.01	.04
Wesley	.01½	.02
Y David'n	.15	.17

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 12, 1942

Public Utility Issues:	Int. Rate %	Due	Bid May 12	Asked May 12	Bid May 5
•Alg. Cen. H.B.R.	5	'59	15½	17½	15
†Assoc. Tel. & T.	5½	'55	67½	70½	66
B. C. Power	4½	'60	99	101	99
...	4½	'61	106	108	106
Nat. Grocers	4	'47	101½	...	...
N. S. Stl. Coal	3½	'63	82½	85½	82½
Price Bros.	5	'57	97½	100½	97½
Do.	4	'57	79	82	80
•Prov Paper	5½	'47	105	108	104½
Reliance Grain	4½	'52	96½	99½	96½
†Restigouche Co.	6	'48	101½	104½	101½
Rolland Paper	4½	'51	102	104	102
Ruddy, E. L.	6½	'48	83	86	83
Silv. Dairies	[illegible]	'66	93½	96½	93
Simpsons, Ltd.	4½	'51	100	102½	100
Smith, Howard	4½	'51	102½	105	102½
Stand. Lime	6	'44	98½	...	98½
Sterling Coal	6	'45	98½	101½	98½
Stop Shop	3	'47	58½	61½	58½
United Amuse.	5	'56	100½	...	100½
United Corp.	5	'53	94	97	94
•United Gas	5½	'48	104½	107½	105
United Gr. Grs.	5	'48	100	103	100
†Western Grain	6	'49	62½	65½	63½

•Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
•Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at May 12, 1942, and change in bids, from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32½	35	+½
Atlas Steels 7% pfd.	105	106	unch
Brantford Roofing, c.	2.35	3.00	—.05
•Can. Gen. Rubber, pfd.	..	21½	+½
Can. Mach., new com.	8.65	12	—½
C.P.R., 4% p. (£ par)	1.85	2.50	+.10

Winnipeg Stocks

(Transactions from May 4 to May 9)

	Sales	High for period	Low for period	Close May 9
Forty-Four	3,200	.14	.10	.14
Great-West Life	5	200.00	200.00	200.00
Marvel Oils	4,000	.04	.04	.04
Northern Trusts	100	7.00	7.00	7.00
Sachigo River	72	4.75	4.50	4.50
United Grain Growers	1	11.50	11.50	11.50
Western Breweries	50	2.00	2.00	2.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	3⅛
Beav. Lumber, c	3	5	Home Invest.	25¼	..
Beav. Lumber, p	100¼	..	Nor. C. Mtg. un	5½	..
Can. Indemnity	150	..	Nor. Trusts	..	7½
Cres. Cream., p.	..	12	Traders Bldg.	44	..
Dom. Envel., c.	..	3¼	West. Grain, p.	..	7
Dom. Envel., p.	..	.06	West. Steel	7	9
Fed. Grain, c.	.35	1⅛			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 12	8,100	1,700	199,000	......
May 11	6,900	2,800	209,000	16,230
May 9	3,700	3,300	227,000	13,860
May 8	6,800	3,500	125,000	7,165
May 7	8,100	1,100	102,000	9,730
May 6	7,200	5,400	126,000	17,420

Municipal Bonds

May 12, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.00	112.00	3.28
Montreal	5	1945	91.50	.....	...
Ottawa	4½	1945	104.75	106.25	2.43
†Quebec	5	1959	108.00	.....	...
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.75	103.75	2.98

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.92	...
Can. Amer. Trust	2.50	3.00
Can. Inter. Trust	3.50	4.25
Can. Invest. Fund	2.90	3.20
Corporate Investors	4.98	3.35
Trans-Canada	3.30	9.35

Annual Meetings

1942: Company	Place
May 18—Sudbury Basin Mines	Toronto
May 18—York Knit. Mills	Toronto
May 18—Ventures Ltd.	Toronto
May 20—Canadian Canners	Hamilton
May 21—Amalgamated Oils	Calgary
May 21—Anglo-Can. Oil	Calgary
May 21—Sherritt Gordon M.	Toronto
May 21—Tuckett Tobacco	Hamilton
May 26—Assoc. Tel. & Tele.	Wilmington
May 27—Canada Machinery	Galt
May 27—Photo Engravers	Toronto
May 29—E. L. Ruddy	Toronto

Mining Dividends

	Rate	May 11	%
Anglo-Huronian	10c	1.75	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	.99	16.1
Bayonne	†1c	.03½	..
Beattie Gold	16c	.65	..
Berens River	3c	.65	..
Bralorne	80c+40c	6.65	*18
Broulan Porc.	12c	.40	..
Buffalo Ankerite	▲30c	1.15	..
Bulolo Gold	$8	8.00	..
Can. Malartic	8c	.35	..
Cariboo Gold	16c+1c	1.07	*15.8
Central Patricia	16c+4c	.84	*23.8
Chesterville	▲15c	.75	..
Cochenour Willans	6c	.53	11.3
Coniagas	10c	1.05	..
Coniaurum	16c	.68	23.5
Cons. Smelters	$1+$1.50	38.00	*6.6
Delnite	6c	.35	..
Dome Mines	$1.60	11.75	13.6
East Malartic	‡5c	1.40	..
Falconbridge	20c	2.80	7.1
Francoeur Gold	▲4c	.20	..
Goldale Mines	2c	.07	..
Gold Belt	▲2c	.16	..
Grandview	1c	.14	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	2.00	20
Hard Rock	▲8c	.37	..
Hedley Mascot	8c	.28	..
Hollinger	65c	7.50	8.6
Howey Gold	2c	.15	..
Hudson Bay	$2	24.50	8.2
Inspiration	▲2c	.22	..
Inter. Nickel. com.	$2	31.00	6.4
Island Mountain	8c	1.02	..
Jason	▲4c	.17	..
Kerr-Addison	‡10c	3.35	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	8c	.43	..
Lamaque Gold	40c+15c	3.15	*17.4
Lake Shore	80c	8.50	9.3
Leitch	8c	.45	..
Little Long Lac	▲20c	.92	..
Macassa	32c+3c	2.15	*16.2
Madsen R. Lake	▲3c	.42	..
Malartic Gold	▲10c	1.38	..
McGillivray Coal	▲2c	.18	..
McKenzie Red L.	12c	.59	20.3
Moneta	8c	.24	..
McIntyre-Porc.	$2.22+$1.11	37.00	*9
MacLeod-Cockshutt	10c	1.20	..
Negus	2½c	.33	..
Nipissing	15c	.90	16.6
Noranda	$4	43.25	9.2
North Empire	‡10c	3.75	..
O'Brien Gold	3c	.58	..
Pamour Porc.	▲12c	.52	..
Pato Cons.	‡25c	2.15	..
Pend Oreille	▲6c	1.28	..
Perron Gold	16c+4c	1.12	*17.8
Pioneer, B.C.	40c	1.35	..
Pickle Crow	30c	1.52	19.7
Placer Develop.	25c	4.25	..
Premier	8c	.41	19.5
Preston E. Dome	20c	1.80	11.1
Privateer Mines	12c+1c	.29	..
Quebec Gold	▲2c	.20	..
Reno Gold	•20c	.03¾	..
San Antonio	14c+6c	1.50	*13.3
Sheep Creek	16c+2c	.68	*25
Sherritt Gordon	10c	.70	..
Sigma Mines	30c	4.25	..
Silbak Premier	16c	.65	24.6
Siscoe	‡3½c	.31¾	..
Sturgeon River	2c	.10½	..
Sudbury Basin	2½c	1.10	..
Sullivan Cons.	‡3c	.52	..
Surf Inlet	▲2c	.10	..
Sylvanite Gold	20c	1.30	15.3
Teck-Hughes	40c	1.75	22.8
Toburn	12c+4c	.80	*20
Upper Canada	‡5½	.78	..
Ventures	▲20c	3.25	..
Waite Amulet	40c	4.25	..
Wendigo	3c	.13¼	..
Wright-Harg.	40c+5c	2.15	*20.9
Ymir Yankee	▲2c	.02¾	..

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date. •Capital distribution.

Dividends Declared

	This payment	Date payable	Date of record
Aunor Gold	4c	June 1	May 15
Agnew-Surpass, p.	$1.75	July 2	June 15
Aluminium	$2	June 5	May 15
Do., pref.	†$1.50	June 1	May 8
Anglo Can. Tel., A	15c	June 1	May 15
Belding Cort.	$1	July 2	June 15
Do., pref.	$1.75	July 2	June 15
Beath & Son	80c	July 1	June 15
Bk. Can. Nationale	$2	June 1	May 15
Barber Ellis, c.	12½c	June 15	Mar. 31
Bk. of Montreal	$2	June 1	Apr. 30
Bk. of Toronto	$2.50	June 1	May 15
Borden Co.	30c	June 1	May 15
Bruck Silk	10c	June 15	May 9
Brew. & Distillers	■50c	May 20	Apr. 30
Do., extra	■10c	May 20	Apr. 30
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Cockshutt Plow	25c	June 18	June 4
Confederation Life	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Cr. Stone	10c	June 15	June 1
Canada Vinegars	10c	June 1	May 15
Can. Wire & C., A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Ind. Alc., A, B	10c	June 1	May 20
Canada Dry	†15c	June 10	May 22
Canada Malting	50c	June 15	May 30
Can. Marconi	4c	June 1	Apr. 15
Commoil	.00½c	May 25	May 15
Corr. Pap. Box, pf.	$1.75	June 1	May 15
Can. Bakeries, p.	*$2.50	June 1	May 18
Can. Breweries, pf.	85c	July 2	June 15
Can. Fairbanks, c.	$2	June 1	May 15
Cons. Div. Std. Sec., p.	37½c	June 15	May 30
Crow's Nest Coal	■$1.50	June 2	May 9
Can. For. Inv., pref.	$2	July 1	May 15
Command Oils	2c	June 15	May 21
Can. Foundries, A	37½c	June 15	June 1
Dom. Envelope, pf.	$1.75	June 1	May 20
Dome Mines	■40c	July 20	June 30
Delnite Mines	3c	May 29	May 9
Distillers Seag., c.	55½c	June 15	May 29
Do., pref.	†$1.25	Aug. 1	July 15
Dom. Foundries, pf.	$1.50	June 1	May 20
Dom. Ang. Inv., pf.	$1.25	June 1	May 15
Dom. Bridge	30c	May 23	Apr. 30
Dom. Scot. Inv., pf.	■$1	June 1	May 20
East. Steel Prod., c.	25c	June 1	May 15
Federal Grain, p.	$2	June 1	May 15
Ford Motor	25c	June 20	May 30
Gen. St. Wares, p.	$1.75	May 20	May 8
Do., participating	28c	May 20	May 8
Granby Cons.	†■10c	June 1	May 15
Do., extra	†■5c	June 1	May 15
Hollinger Cons.	5c	May 20	May 6
Honey Dew	50c	July 2	June 15
Hallnor Mines	10c	June 1	May 15
Home Oil	■15c	June 15	May 15
Howey Gold	2c	June 29	May 26
Island Mtn.	8c	May 25	May 1
Imp. Varnish	12½c	June 1	May 20
Do., pref.	37½c	June 1	May 20
Inter. Nickel, c.	†50c	June 30	June 1
Lindsay, C. W., p.	$2	June 2	May 20
Loblaw Groc. Inc.	†25c	June 1	May 15
Langley's, pfd.	■50c	June 11	June 2
Do.	■50c	Sept. 11	Sept. 2
Do.	■50c	Dec. 11	Dec. 2
Lamaque Gold	10c	June 1	May 8
Do. extra	5c	June 1	May 8
Lake of W. Mill.	30c	June 1	May 15
Do., pref.	$1.75	June 1	May 15
Laura Secord	20c	June 1	May 15
Loblaw, A, B	25c	June 1	May 9
Do., extra	12½c	June 1	May 9
McIntyre-Porc.	55½c	June 1	May 1
Model Oils	3c	June 20	May 30
Noranda Mines	$1	June 15	May 20
National Biscuit, p.	†$1.75	May 29	May 12
N. S. Lt. & Pwr., pf.	$1.50	June 1	May 16
Ogilvie Flour, pf.	$1.75	June 1	May 19
Ottawa L. & Pr.	15c	July 1	May 18
Do., pref.	$1.25	July 1	May 18
Para. Pictures	†25c	July 1	June 17
Do., 1st pref.	†$1.50	July 1	June 17
Pato Cons. Gold	15c	June 15	May 29
Placer Develop	25c	June 15	May 22
Prov. Bank	$1.50	June 1	May 15
Paton Mfg.	$1	June 15	May 31
Do., pref.	$1.75	June 15	May 31
Quebec Power	25c	May 25	Apr. 23
Regent Knit., c.	25c	Sept. 15	Aug. 31
Royal Bank	$2	June 1	Apr. 30
Regent Knitting pfd.	‡40c	June 1	May 15
Reliance Grain, p.	$1.62½	June 15	May 30
Rolland Paper, p.	$1.50	June 1	May 15
Securities Hold., p.	75c	June 30	June 16
Shaw. W. & Power	22c	May 25	Apr. 23
Sher.-Williams, pf.	$1.75	July 2	June 15
Sherritt Gordon	■5c	May 29	Apr. 24
Stuart, D. A. Oil, p.	20c	June 1	May 15
Sylvanite Gold	5c	June 30	May 9
Siscoe Gold	1½c	Jun 15	May 13
Stedman Bros.	15c	July 1	June 20
Do., pref.	75c	July 1	June 20
Teck Hughes	■10c	June 1	May 8
Toburn Gold	3c	May 22	Apr. 22
Do., extra	1c	May 22	Apr. 22
Union Gas	20c	June 15	May 20
Un. Amuse., A, B	40c	May 30	May 15
Upper C. Mines	2½c	May 30	May 16
Waite Amulet	10c	June 10	May 25
Walker, Hiram	$1	June 15	May 22
Do., pref.	25c	June 15	May 22
Wilsil	25c	July 1	June 15

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
‡Also 40c payable Sept. 1 and Dec. 1.
*Eliminates arrears.

See Bigger Yields Per Acre

Last Year's Summer Fallowing Expected to Pay Dividends

From Our Own Correspondent

WINNIPEG.—Seeding has progressed very rapidly in western Canada during the past week. Drying weather succeeding the abundant rainfall which came at the end of April has enabled farmers to get ahead with the work of putting in wheat. That applies particularly to Alberta and Saskatchewan.

In Manitoba where the soil was much wetter, farmers experienced greater delays, both because of the moisture and because they had large arrears of cultivating work to overcome after being unable to do the usual amount of work on the land last fall. However, the delay does not bother Manitoba farmers greatly as to a large extent it was their intention in any event to seed oats and barley instead of wheat.

Wheat Acreage Drops

Wheat acreage for the west as a whole will presumably be down slightly from last year, both because of the delay in seeding and because of switching to other crops. The reduction may be largely offset by the immediate prospect for the yield per acre. Because of the large area of land which was summer-fallowed last year, by far the greater part of this year's seeding is going in on summer fallow and characteristically land so prepared gives higher yields than land in crop the previous year.

High Fallow Yield

In Alberta and Saskatchewan the greater part of land summer-fallowed last year is going into wheat. To a limited extent some such land in Saskatchewan will be put into flax. In Manitoba there will be a large use of summer-fallowed land for barley. On that account it may well be that the increase in barley production will be much greater than the increase in acreage. In the past farmers have put barley in on well prepared land only to a limited extent.

It has usually been regarded as a cleaning crop because it can be seeded late after one crop of weeds has been killed in the spring, and harvested early before the weeds which grow up in the crop have had a chance to shed their seed. Barley, however, does respond remarkably well with good yields when seeded on well prepared land.

As a rule farmers in Manitoba do not like to put oats in on summer fallow because if moisture is abundant, growth may be too rank for satisfactory maturing and harvest. In those parts of Saskatchewan where smaller rainfalls are expected it is considered good farming practice to put oats on summer fallow but only when it is too late to use such land for wheat.

Moisture Conditions Improve in West

Alberta and Saskatchewan Rainfall Ends One Worry of Grain Growers — Wheat Deliveries Still at Low Level

From Our Own Correspondent

WINNIPEG. — Southern Alberta received a thorough soaking over the week end, and although the central part of the province still complained of undue dryness, as did west central Saskatchewan, there was a tendency to believe that western weather generally had sufficiently shifted toward dampness. Worry about lack of rain, even if localized, might well be suspended for a time to see what further developments take place.

Manitoba continues to hope for drying weather, instead of rain. Over considerable areas in the Red River valley farmers have not yet been able to get onto their land. In such areas farmers have given up intentions to seed wheat this year, and are planning to put the greater part of their acreage into barley. There are also districts, both in Saskatchewan and Alberta where farmers have put in a full wheat acreage, and where the wheat is already making a good showing above ground.

Deliveries of wheat by farmers are being very slowly made at present, the total for the whole West last week being only approximately one million bushels.

Country correspondents are puzzled as the quantity of wheat remaining to be marketed during the remainder of the crop year. Present slow rate of deliveries might be partly attributable to preoccupation of farmers with other work, and partly to the bad condition of country roads. It might be due to intentions of farmers to feed more wheat to livestock than they have already done, or to precautions to hold a supply of grain on the farm until feed supplies from the new crop are in sight.

Again it might be due to intentions to hold old crop wheat over in the hope of getting paid for it at the rate of 90 cents a bushel, when the new schedule of Wheat Board payments takes effect on August 1.

Whatever the quantity of wheat left on farmers may be, it certainly represents a cash value of some millions of dollars. The fact that owners are not driven to dispose of it without further delay indicates that the financial position of western farmers generally is improving, partly because of a largely increased output of livestock at remunerative prices, and with some farmers because coarse grains are bringing a fairly substantial return.

Visible supplies of Canada wheat continue to shrink from week to week, as disappearance into export and domestic milling channels considerably exceeds the volume of new deliveries.

Western Grain Pile-up Seen From Ship Switch

From Our Own Correspondent

WINNIPEG.—Heavy demand for lake vessels for transportation of ore is putting a decided limitation on quantities of grain forwarded down the lakes. United States authorities have forbidden any vessels capable of handling ore to engage in transportation of grain without a special permit and Canadian vessels on the Great Lakes were previously under regulation in this respect.

The present movement on the lakes is mainly confined to Georgian Bay ports plus a sufficient quantity to take care of actual milling requirements at Port Colborne. It may be taken for granted that the authorities will see that a sufficient amount of wheat is moved east to take care of actual requirements for transatlantic shipping and for flour mills for domestic and British needs.

What the limitation on forward shipments will mean in essence is that stocks in eastern elevators may be allowed to run down with a proportionately greater quantity of wheat held in storage in the West. For a long time the characteristic storage pattern has been that maximum quantities of grain were carried in eastern positions and that storage in western elevators, both lakehead terminals and country elevators, represent mainly grain that could not be got forward.

The expectation at the end of the present crop year at July 31 is that lakehead terminals will be congested and that a considerable amount of grain will still remain in storage in country elevators. On that account new crop deliveries of wheat by farmers will have to be strictly limited by quotas and such limitations will have to be carried on to a considerably later date than has previously been the case.

Another factor in the situation will be the necessity for keeping open space to permit rapid flow of coarse grains and flax to markets in eastern Canada and in the United States. The reasonable prospect is for a very large surplus of barley to be shipped south of the line, some considerable surplus of oats and a much smaller surplus of flax.

Acreage Bonus "Ineffective" In Reducing Wheat Sown

A check up of the response to farmers to various incentives offered them for seeding other crops than wheat seems to show that the acreage bonus is comparatively ineffective. They will be paid $2 per acre for former wheat land put to other use whether in coarse grains, flax, grass or summer fallow. So far as summer fallow is concerned, that is not a sufficient incentive to refrain from seeding land where cultivation and moisture have been sufficient to give an expectation of a crop.

So far as oats and barley are concerned it seems to be the case that the incentive offered by the guaranteed prices is the principal impelling motive and that the extra $2 per acre has not played a very large part in farmers' calculations. That does not mean that farmers do not value the acreage bonuses, but the tendency is to think of them as something in the nature of insurance of some income in case weather conditions prove adverse to crop production.

Over a large part of Alberta and some areas of Saskatchewan the soil is badly infested with eggs of the wheat stem saw fly. Farmers are responding to advice given to them as to certain cultural practices which tend to minimize the danger of damage from this source. There is, nevertheless, a good deal of danger of widespread damage if weather conditions are favorable for the development of this insect. There are some fairly large areas also exposed to danger from grasshopper damage. The danger grows less with weather conditions that are favorable to crop production and poisoning compaigns if they prove necessary later in the season can do a good deal to keep down the damage.

Flour Exports Continue Up

Quantity and Value Higher This Year But Wheat Exports Lower

Exports of wheat flour from Canada to the end of April this year have been far ahead of recent years in both quantity and value. April figures show the gain continued up to the end of the period. Recent reports, however, indicate an interruption in exports, probably only temporary.

Similar conditions have not prevailed for wheat exports. In both quantity and value, exports are lower, although per bushel value for export has shown practically no change.

Wheat Exports

April:	Quantity Bushels	Value $	Aver. Export Price $
1939	2,831,612	1,646,190	0.581
1940	5,081,736	4,771,315	0.938
1941	20,322,400	17,393,126	0.856
1942	14,537,320	12,242,721	0.842
Four Mos. ended April			
1939	23,021,185	13,811,440	0.599
1940	30,665,855	27,937,962	0.911
1941	46,284,793	39,017,774	0.843
1942	40,871,713	34,979,540	0.856

Wheat Flour Exports

April:	Quantity Bbls.	Value $	Aver. Export Price $
1939	275,275	825,277	2.998
1940	519,870	2,167,097	4.168
1941	849,816	3,046,657	3.585
1942	1,127,974	4,770,530	4.229
4 Mos. Ended April:			
1939	1,306,331	3,994,640	3.057
1940	2,520,103	9,779,345	4.880
1941	3,370,530	8,301,936	3.503
1942	3,834,084	15,773,259	4.114

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.45	$10.60	$8.52
Hogs	15.25	15.18	11.88
Copper, lb.	.12	.12	.12
Cotton, lb.	.2115	.2095	.1259
Sugar, raw, lb.	*.0374	.0374	.0340
Wheat, Man. (bu.)	.79¼	.79¼	.76
Coffee, lb.	*.09⅜	.09¾	.07⅛
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.7	98.6	83.2
Wood, Gundy	77.0	77.0	71.0
Dow Jones (fut.)	87.94	87.29	68.11
Fishers	106.3	106.5	90.7
Monthly Indices			
Canada (D.B.S.):			
Retail (Apr.)†	115.9	115.9	108.6
W'sale (Mar.)	95.1	94.6	85.9
U. S. (Feb.)	96.7	96.0	80.6
Gt. Brit. (Feb.)	158.5	156.4	150.0

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Company Reports

Photo Engravers

Net profit of Photo Engravers & Electrotypers Ltd. in the year ended Feb. 28, 1942, dropped to $1.33 a share on the common against $1.49 the preceding year.

W. T. Northgrave, president, tells shareholders that in a service business such as Photo Engravers, the price charged for such services follows, rather than precedes, any advance in costs. Thus when price ceilings were established last year the company was already absorbing in its operating costs higher wages and higher priced supplies. Under the price ceiling, the company has to continue to absorb such higher costs without any compensation. This does not apply on contract work based on cost, he points out.

About $67,000 was spent last year on new plant. There had been a tremendous development in the last few years in technique of photo engraving and rotogravure. Cost of keeping abreast of this proved to be somewhat more expensive than at first thought probable. Equipment is now completely up to date and from now on it will be almost impossible to secure equipment except for bare replacements.

Income and Surplus Account Years Ended Feb. 28

	1942 $	1941 $
Operating profit	146,383	150,916
Add: Other income	6,533	5,238
Total earnings	152,916	156,154
Less: Exec. & legal	29,842	36,420
Directors' fees	440	400
Depreciation	53,539	49,015
Interest	29,050	25,496
Net profit	40,045	44,823
Less: Com. divds.	30,000	30,000
Surplus for year	10,045	14,823
Add: Prev. surplus	358,841	345,040
Less: Adjustments	492	1,022
Earned surplus forw'd	368,394	358,841
Earned per share:		
Common	$1.33	$1.49
Paid	1.00	1.00
Working Capital	$	$
Current assets	556,380	•522,880
Current liabilities	149,697	109,253
Working capital	406,683	413,627

George Weston

Moderately improved results were obtained by George Weston Ltd. in the quarter ended Mar. 31 1942 as compared with the same period a year ago. After providing for increased taxes, net profits showed some expansion with net per common share working out to 21 cents as compared with 19½ cents in the first quarter of 1941.

Three Months Ended Mar. 31

	1942 $	1941 $
Net oper. profit*	254,738	245,163
Less: Depreciation	76,340	76,498
Income tax (est.)	71,360	67,266
Net profit	107,038	101,399
Less: Pref. divds	22,528	22,533
Net avail. for common	84,510	78,866
Earnings per com. sh.	$0.21	$0.195

*After reserve for all interest due and accrued.

Fernie Brewing

Fernie Brewing Co., Fernie, B.C., reports net profits for the year ended March 31, 1942 of $1.28 a share on the 32,752 shares of $10 par common. This compares with 84 cents a share earned in 1941. Dividends totalling 75 cents a share were paid in each year.

Balance sheet shows somewhat stronger working capital with cash of $84,590 at March 31 this year more than double total current liabilities.

Income and Surplus Account Years Ended March 31

	1942 $	1941 $
Net profit	42,057	27,363
Less: Com. divds.	24,564	24,564
Surplus for year	17,493	2,799
Add: Prev. surplus	90,954	88,155
Less: Adjust. re mach.	2,447	......
Earned surp. forward	106,000	90,954
Earned per share:		
Common	$1.28	$0.84
Paid	0.75	0.75
Working capital	186,760	180,043

Montreal Refrigerating

Montreal Refrigerating & Storage Ltd. handled during 1941 the heaviest tonnage for any year since the warehouse was completed in 1927, W. G. Lasher, president, reports. Gross revenue was up approximately 24%, while net income of $64,623 was at a new high. Earnings on the $3 cumulative preferred amounted to $3.43 a share, as against $1.86 in 1940 and $1.60 a share in 1939.

Mr. Lasher said tonnage movements through the warehouse should continue heavy, though possibly somewhat lighter than in 1941, due to the restriction in manufacturing non-essential goods and the rationing of other products.

Nova Scotia Apple Crop Worth More in 1941

From Our Own Correspondent

MONTREAL. — Value of Nova Scotia's 1941 apple crop was just under $2.3 millions, an increase of $451,000 over the preceding year, according to the Nova Scotia Apple Marketing Board.

When the deficiency payment on the 1940 crop shortage is paid by the Dominion government, the grower's pool will gross over $2.7 millions. Operating costs lowered the net figure to $2.3 millions, which worked out to an average of 74 cents a barrel to be paid to growers.

Wheat Prices

Winnipeg Grain Futures
Week to May 11, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close May 11
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77½	July	.80⅜	.80⅜	.80⅜
		Oats			
.51½	.38⅛	May	.51½	.51	.51½
.51⅜	.42⅛	July	.51½	.51⅛	.51⅛
.50⅜	.46	Oct.	.51⅛	.50¼	.50⅜
		Barley			
.64¾	.49⅜	May	.64¾	.64¾	.64¾
.64¾	.55⅛	July	.64¾	.64¾	.64¾
.63⅞	.57	Oct.	.64¾	.63⅜	.63⅜
		Rye			
.67⅛	.51⅜	May	.64¾	.63⅝	.63½
.66⅜	.60⅜	July	.65⅜	.64⅛	.64⅛
.66⅜	.60⅜	Oct.	.65⅜	.65⅜	.65⅜

Cash Quotations
For Week

	May 11 High	May 11 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.79¼	.79¼	.79¼	.79¼
1 Nor.	.79¼	.79¼	.79⅛	.79¼
2 Nor.	.76¼	.75¼	.76¼	.76¼
3 Nor.	.73⅜	.73½	.73⅜	.73½
4 Nor.	.72	.72	.72¼	.72
5 Wheat	.70	.70	.70	.70
6 Wheat	.67¾	.67¾	.67¾	.67¾
Feed	.65¼	.65¼	.65¼	.65¼
Oats:				
2 C. W.	.51⅛	.51⅛	.51⅛	.51½
3 C. W.	.50½	.48⅛	.48⅞	.48⅛
Barley:				
1 Feed	.62½	.60⅜	.60⅜	.60⅜
2 Feed	.61⅜	.60⅜	.59⅜	.58⅜
Rye:				
2 C. W.	.64⅜	.63⅜	.60⅜	.62⅜

U. S. Bans Ship Use For Grain

Several Canadian Lake Carriers to Haul Ore For U. S.

A number of lake freighters have been shifted from carrying grain to carrying iron ore to keep American and Canadian steel mills operating. A. L. W. MacCallum, director of shipping at Ottawa, has announced that 12 Canadian Lake freighters ranging in length from 400 ft. to more than 600 ft. have been shifted into the iron ore trade between Duluth and Lake Erie ore docks to keep American steel mills going.

Indicative of the critical nature of iron shipments is an order announced by Director of Defense Transportation in the United States whereby all grain shipments by way of U. S. Great Lakes vessels are banned from May 15.

The new order takes over absolute control of approximately 340 U. S. Great Lakes ships which are adapted to the transportation of iron ore and forbids the carriage of grain for such ships unless with a specific Office of Defense Transportation permission. Grain tonnage is to be diverted to railroads in the United States to assure maximum carrying capacity for iron ore.

This year it is anticipated that a record total of 90 million tons of iron ore will be moved. Up to May 1 this year the ore fleet had hauled 8.6 million tons of ore as compared with last year's 6.9 million tons for the same period, an increase of nearly 24%.

Canadian Ships Affected

R. S. Misner, president of Colonial Steamships, has announced that a number of his firm's ships have been transferred to the ore trade following the direction of Shipping Director McCallum.

Last year to relieve emergency shortage of ore shipping capacity, the United States amended its shipping laws to permit Canadian cargo ships to carry loads from one United States port to another one. A similar change is in effect for this year.

The American order banning use of suitable iron ore carriers to handle grain specifically mentions:

"No person shall operate or permit the operation of any vessel in the transportation of grain.

(a) From any port, point, or place on Lake Michigan;

(b) From Fort William or Port Arthur, Ontario, Canada, or from any other Canadian port, point or place on the Great Lakes."

Meat Stocks Drop in May

Storage Holdings Five Million Pounds Lower at May 1 Than Year Ago

Canada's meat stocks, in storage by packers, abattoirs, wholesale butchers and cold storage warehouses, declined sharply in April this year. The total of all kinds of meat, Canadian and imported, at May 1 this year was 83.6 million lb. while a year ago it was 88.9 million lb.

In April a year ago, there was an "out-of-storage" movement of meat amounting to 4.5 million lb. This year the corresponding movement was 20.7 million lb. The actual figures now available for the country as a whole indicate one important reason for the much-publicized "shortage" of meats of last month.

Cold Storage Stocks (Thousands of Lb.)

	May 1 1942	Apr. 1 1942	May 1 1941
Pork	61,073	74,152	67,602
Beef	13,378	19,697	13,027
Veal	2,912	2,649	2,794
Mutton & lamb	3,011	4,823	1,908
	80,374	101,321	85,329

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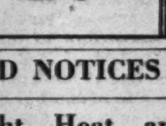
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DIVIDEND NOTICES

Upper Canada Mines Limited

(No Personal Liability)

DIVIDEND NO. 8

Notice is hereby given that an interim dividend of two and one-half cents per share has been declared on the outstanding capital stock of the Company, payable in Canadian funds on May 30th, 1942, to shareholders as of record at close of business May 16th, 1942.

By Order of the Board.
G. F. SUMMERS,
Secretary-Treasurer.
Toronto, May 6th, 1942.

Securities Holding Corporation Limited

NOTICE

Notice is hereby given that an Interim Disbursement of Seventy-Five Cents per share has been declared upon the Preferred shares of the Company, payable on the 30th day of June, 1942, to shareholders of record at the close of business on the 16th day of June, 1942.

By order of the Board.
F. T. LARGE,
Secretary.
Toronto, May 12, 1942.

The Bank of Nova Scotia

DIVIDEND NO. 290

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of June 15th, and that the same will be payable on and after Thursday, the second day of July next, at any of the offices of the Bank in Canada.

By order of the Board.
H. D. BURNS,
General Manager.
Halifax, N.S., May 12th, 1942.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 318

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1942.

By Order of the Board
JACKSON DODDS, General Manager. G. W. SPINNEY, General Manager.
Montreal, 21st April, 1942.

Gold Belt Mining Company Limited

(Non-Personal Liability)

Notice of Interim Dividend No. 4

Notice is hereby given that Interim Dividend No. 4 of two cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of June, 1942, to shareholders of record at the close of business on the 30th day of May, 1942. Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's Transfer Agents, The London & Western Trusts Company Limited, at their office, 455 Howe Street, Vancouver, B.C., or at their office, 200 Bay Street, Toronto, Ontario, on or before 30th May next.

By Order of the Board.
JAMES ANDERSON,
Secretary.
Vancouver, B.C.,
May 9th, 1942.

DIVIDEND NOTICE

Command Oils Limited

NOTICE is hereby given that a dividend of 2c per share has been declared on the outstanding shares of the Company, payable on or after June 15th, 1942, to shareholders of record at the close of business May 21st, 1942.

The transfer books of the Company will not be closed.

By Order of the Board,
G. J. McKAY,
Secretary.
May 8th, 1942.

DIVIDEND NOTICES

LANGLEY'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 50c per share on the outstanding paid-up Seven per cent (7) Cumulative Redeemable Preference Shares of the Company, which was declared by the Board of Directors at a meeting held on January 27th, 1942, will be paid on June 11th, 1942, to shareholders of record at the close of business on June 2nd, 1942.

By order of the Board.
P. G. SHAY,
Secretary-Treasurer.
Toronto, May 12th, 1942.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 84

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Monday, June 15, 1942 to shareholders of record at the close of business on Friday, May 22.

DIVIDEND NO. 85

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Monday, June 15, 1942 to shareholders of record at the close of business on Friday, May 22.

By Order of the Board,
FLETCHER RUARK,
Secretary.
Walkerville, Canada
April 14, 1942.

Siscoe Gold Mines Limited

NOTICE OF DIVIDEND NO. 41

Notice is hereby given that a dividend of One and One-half Cents (1½c) per share on the issued Capital Stock of Siscoe Gold Mines, Limited, has been declared payable on June 15th, 1942, to shareholders of record at the close of business on the 13th day of May, 1942.

By Order of the Board.
H. E. GREEN,
Secretary-Treasurer.
Montreal, 1st May, 1942.

DIVIDEND NOTICES

Ottawa Light Heat and Power Company, Limited

The following dividends are payable 1st July, 1942, to Shareholders of record 18th May, 1942.

Preferred Stock: 1¼% (being at the rate of 5% per annum).

Common Stock: Fifteen Cents (15 cts.) per share on the No Par Value Shares.

The transfer books will not be closed.

By Order of the Board.
F. W. FEE,
Secretary.
OTTAWA, 11th May, 1942.

Anglo-Canadian Telephone Company

Class A Dividend Notice

NOTICE is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Class A Stock of the Company, payable June 1, 1942, to Stockholders of record at the close of business on May 15, 1942.

By Order of the Board,
CAMERON HOUGH,
Secretary.
Montreal, May 8, 1942.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 110

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ending 31st May, 1942.

Notice of Common Stock Dividend No. 65

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for the quarter ending 31st May, 1942.

The above dividends are payable on the 2nd day of July, 1942, to Shareholders of record at the close of business the 15th day of June, 1942.

By Order of the Board,
D. F. POLLOCK,
Secretary.

Molybdenum Hunt Resumed

U. S. Shortage, Mooted Price Jump, Stir Interest

With the great American producer Climax Molybdenum Co., unable to cope with the tremendously-increased demand for molybdenum, indications are that a new hunt will soon be spreading across Canada for this metal which can substitute for tungsten.

During the last war, Canada produced a considerable amount of molybdenum and at the outset of the present war, work was carried out on a number of molybdenum properties. The United States, however, contracted to supply the entire United Kingdom demand and potential Canadian producers found themselves without a market.

Situation is Changed

With the United States eating into its essential molybdenum reserves, and the Canadian Metals Controller prepared to buy Canadian molybdenite output at the United States market or the equivalent of about 50 cents per pound the situation has been altered. Reports continue to circulate that Canada will soon announce a bonus price to stimulate molybdenum production. It is understood negotiations are now being carried on for a price increase.

More than 400 molybdenite occurrences and deposits are known throughout Canada and while most are small, a number might be developed as a group. At Quyon, Quebec, a plant at the Moss mine can turn molybdenum concentrates into addition agents for steel and alloy manufacturers. This plant might possibly be used on a custom basis in future molybdenite mining operations.

Found in Eastern Canada

Canadian deposits are chiefly centred in Quebec, Ontario and British Columbia but there are other areas favorable for the discovery of deposits. In eastern Canada molybdenite is usually found near a contact zone. In northern and western Ontario and British Columbia, it usually occurs in quartz veins or as disseminations in granite. Most of the world's production of molybdenum comes from deposits of the disseminated type but hand sorting of flake type of deposits may be practical where the material is not already in the commercial category.

Plans for development of a number of molybdenum properties are understood to be in the negotiation stage but work has been resumed at one property, Norwin Molybdenite Mines, and a programme of work is scheduled for the property of Mount St. Patrick Syndicate.

Norwin Does Sampling

At Norwin Molybdenite a crew of men are at work resampling old pits and some interesting values have been secured. Surface exploration has revealed molybdenum values over a considerable area. The Norwin property is located 13 miles from Ottawa and it may be possible to ship concentrates or ore to the Quyon plant.

The Mount St. Patrick property is in the Renfrew area, Ontario, in a section which had a record of considerable production in the last war. The property comprises 250 acres west of the Hunt or Belgian mine and is surrounded by the old International Molybdenum property on three sides. At least three properties in this area produced in the last war.

The programme of exploration is to get under way at Mount St. Patrick almost immediately. A number of gold mining companies are understood to be interested.

Owners of the Hurd Lake property to the east of Mount St. Patrick are reported to be planning some further work. To the west of Mount St. Patrick, North American Molybdenum carried out work in the early part of the war and it is possible further work might be considered. Previous work was suspended due to a lack of markets.

In the Algoma area, the privately-owned Regnery Metals some time ago reported opening up a considerable tonnage of molybdenite.

Molybdenum is one of the metals prospectors have been asked to look for this year.

Well Equipment Situation Clears

Progress toward final settlement of problems regarding equipment for drilling oil wells is indicated by a statement of the Alberta Petroleum Association. Says the Association:

"After a final consultation with three United States priority branch officials which lasted about 12 hours, the difficulties in applying P-98 (the U. S. oil well priority rating) to Canada were finally overcome and a draft agreement prepared to be sent to Washington to be signed and sealed.

"As soon as this is done, the Canadian oil industry will operate under the same regulations as the United States oil industry, and our work of getting priorities should be considerably simplified and expedited. How long it will take for these arrangements to become effective, no one would say, but it is expected some time about May 15."

Mining INVESTMENTS

Increased activity was noticeable on the Toronto mining market early this week with issues moving higher on considerable volume. Various explanations were offered, the most common being Churchill's optimistic statement on the progress of the war. Others were prone to regard the battle of the Coral Sea as being the favorable factor.

Whatever the reason a sharp rise in mining stocks did occur. Stock traders had been saying for days that the market was "sold out" and the action tended to confirm this contention. Prices of gold mining stocks recently have been regarded by many as discounting not only the unfavorable developments that have already taken place but many difficulties ahead, difficulties that may not materialize.

* * *

Senator-Rouyn provides another example of the successful financing of a mine into production by the use of notes and a bank guarantee. Practically all of the outstanding notes have been retired through the sinking fund and the company intimates that the small balance outstanding will have been purchased for cancellation by the end of May.

The notes were originally issued to the amount of $150,000 in 1940 and were due Aug. 15, 1944. The entire issue will therefore be retired some two years before the scheduled maturity date. It is anticipated that the company will now concentrate on building up working capital to the point where dividends can be paid.

* * *

Lake Dufault Mines has been attracting considerable interest of late as one of the few exploratory mining developments in the base metal field that might make ore news in the next few months. Lake Dufault has been using part of the income it receives from Amulet-Dufault Mines to investigate an interesting geological bet.

In order to carry out diamond drill testing of the favorable area, which lies at considerable depth, a long crosscut has been extended from the adjoining Waite Amulet workings at the 1,050-ft. horizon. This drive has been completed to a point 500 ft. inside the Lake Dufault property and diamond drill holes are to be put down from this crosscut to test the extensive altered formation.

Turner "Problem Well" Has Big Implications

Ace Oils No. 2 well — deepest north end test—has suspended drilling again at a depth of 8,244 ft. in the upper Benton structure with the Madison Limestone not yet contacted.

This fact has renewed fears in some quarters that important oil production from this section of the field may not—at least for some time—be realized.

The Ace No. 2 well is in the extreme north end of the Turner Valley field and results there do not necessarily have a bearing on current development further south, it is pointed out.

Geologist Dr. J. O. G. Sanderson, who has pioneered north end development in Turner Valley, is understood to have declared that there is no geological reason for suspending drilling at Ace No. 2 well or at any other north end well.

"Freezing In" Considered

Reports that government authorities might consider "freezing in" all north end development until after the war are current, but it is understood that well leases call for continuous development until a geologist recommends a stoppage of drilling which makes any "freezing in" difficult.

Operators of more than one well have stated that their well (or wells) will be completed no matter what the results at Ace No. 2.

It is pointed out that Ace No. 2 well may have been drilling along the nose of a fold giving a great thickness for a single formation, a condition that would not necessarily exist at other wells.

Talk New Methods

Widely commented on in oil circles is possibility arising out of the present north end situation—changed development methods. It is being pointed out that the same amount of testing could have been done with perhaps half the drilling—that co-ordination could have saved much in the early, tremendously expensive and highly speculative work of preliminary development.

Probability that stock and royalty selling regulations will also be designed to encourage co-operative tests of unproved ground is being mentioned.

A very large area of ground is involved in the currently problematical North End—more than 10 miles—and results at Ace 2 will not likely be conclusive for the area as a whole. The southern part of the North End is reported to be looking promising. Continuous drilling is usually called for at Turner Valley wells. But the Ace No. 2 well differs in being financed jointly by Ace Oils and the Commoil interests and the less than 1% royalty interest outstanding was called in recently. With direct public investment absent the operators have not been compelled to carry on continuous drilling.

Inco Profits Move Lower

Downward trend of earnings of International Nickel Co., in evidence over the past year, was continued in the first quarter of 1942.

The first quarter profit of $8,971,966 was equal to only 52 cents a share after preferred dividends, lowest quarterly profit for some years. Earnings for the first quarter compare with $8,660,463 or 56 cents a share in the preceding quarter, 60 cents a share in the first quarter of 1941 and 64 cents a share in the first quarter of 1940.

Tax Payments Higher

While profits have been moving lower, a notable increase has taken place in tax payments. Provision for income and franchise taxes in the three months ended Mar. 31, 1942, amounted to $6,742,543 or 46 cents a share of common stock compared with $5,424,969 or 37 cents a share in the preceding quarter, 42 cents a share in the first quarter of 1941 and only 25 cents a share in the quarter ended Mar. 31, 1940. Figures in all cases are in terms of United States currency.

Write-Off Higher

International Nickel Co. receives a special amortization allowance for expansion being carried out at the request of the Dominion government, probably reflected in the increase in the allowance for depreciation, depletion and amortization from $2,039,424 in the first quarter of 1941 to $3,238,671 in the first quarter of 1942. The increase in this allowance was equal to approximately 8 cents a share.

Working capital showed a small increase in the March quarter after allowing for expenditures for expansion. Consolidated balance sheet as at Mar. 31, 1942, showed current assets of $123,987,547 compared with $122,145,214 at the end of 1941 and $102,971,832 at the end of the March, 1941 quarter.

After allowing for current liabilities, working capital was $83,072,189 at Mar. 31, 1942, compared with $82,957,549 on Dec. 31, 1941 and $78,920,900 on Mar. 31, 1941.

President R. C. Stanley states that it has been decided to suspend further issues of the series of letters that have been put out quarterly since May, 1931, dealing with the various uses of the company's metals. Mr. Stanley reports that these letters have been suspended since government war regulations no longer permit publication of such data and statistics.

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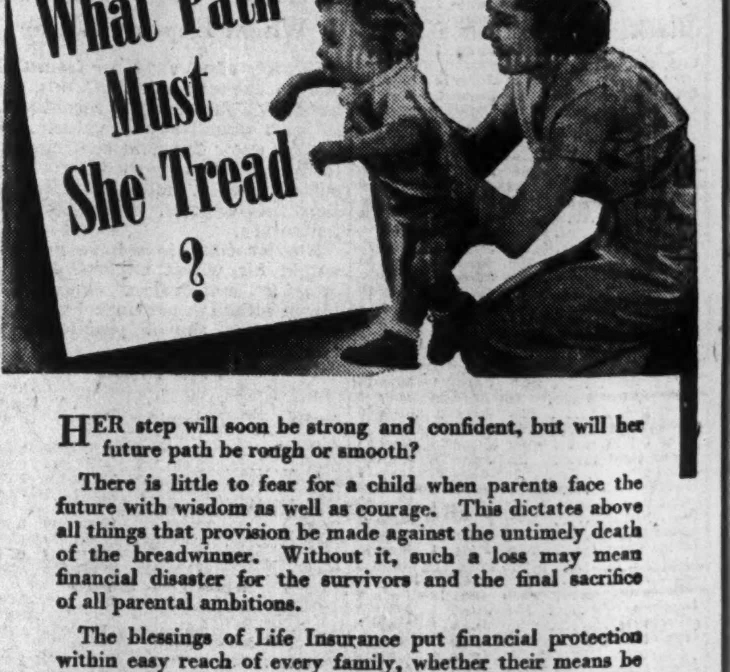

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The Week In Oils

From Our Own Correspondent

CALGARY.—Revenue from deliveries of Alberta's crude oil increased 34.3% during the first quarter of 1942, compared with last year, largely due to the increases in prices effected last July. Production of oil and natural gasoline increased by 11.3% in the first quarter of 1942, compared with the initial quarter of 1941.

Revenue from deliveries totalled $4,003,523, up from $2,979,169 in 1941. Oil production was 2,604,299 bbls., up 265,074 bbls. from the yield of 2,339,225 bbls. in the first three months of 1941.

* * *

March Yield Analyzed

Alberta's crude oil and natural gasoline production during March, 1942, according to the conservation board, was 908,463 bbls., an average of 29,306 bbls. per day, while the revenue to operators was $1,399,418, an average of $45,143 per day. Last year March production averaged 26,911 bbls.; revenue averaged $34,294.

Following is a summary of March, 1942, production from the several Alberta sources:

	Bbls.
Turner Valley:	
Limestone oil wells	865,114
Limestone naphtha wells	3,167
Shallow oil wells	551
Natural gasoline	29,748
Total Turner Valley	898,580
Other Fields:	
Red Coulee field	899
Vermilion field	5,109
Wainwright field	1,299
Dina field	800
Taber field	932
Tilley field	844
Total other fields	9,883
Total Alberta	908,463

* * *

Stocks Move Higher

The heavy March oil production, coming on top of the record February yield, brought a considerable improvement in crude oil and refined products stocks in Alberta. Crude oil and natural gasoline stocks as of April 1, 1942, totalled 588,081 bbls., up 101,902 bbls. over March 1, and up 89,256 bbls. compared with April 1, 1941.

Refined products stocks as of March 1, 1942, totalled 1,193,456 bbls., up 158,414 bbls. over February 1, but down some 199,478 bbls. compared with March 1, 1941. The figures are the latest given by the conservation board.

* * *

Standard's New Work

A seismic survey crew engaged by Standard Oil Co. of B.C. has arrived in Alberta en route to the Ross Lake-Twin River area. Survey work in this area is starting immediately.

According to official information, Standard of B.C. has increased the acreage it controls in the Ross Lake area to around 11,000 acres by entering into an agreement with E. L. Cord's Western Drilling Co. for certain of this group's holdings at Ross Lake and the northerly part of Twin River.

The area covered is largely in townships 2 and 3, ranges 22 and 23 west of the 4th meridian. Decision on drilling in this area will be made after the seismic survey work has been completed.

* * *

Norcanols-Radville No. 1, Imperial Oil test in the Radville area of southern Saskatchewan, was spudded in Friday and Monday was making hole at 596 ft. The well is located in L.S.D. 16 36-5-19w2.

* * *

Many Royalty Cheques

The Prudential Trust Co. at Calgary reports that, during the month of April, it issued a total of 10,710 cheques to royalty and shareholders in Turner Valley wells. The total distribution amounted to $159,830.61. In March, 10,248 cheques with a total value of $145,936.16 were issued by this office.

* * *

Rains Hit Turner

Heavy rains last week end brought trouble to Turner Valley. The Sheep and Highwood Rivers rose rapidly last Sunday, sweeping over their banks in the Turner Valley area, inundating a large part of the north extension producing area, washing out pump stations, gas and water lines, and roads, and temporarily calling a halt to a very large part of the drilling in the big Alberta field.

At this writing, the waters were still rising, covering the locations for many drilling and producing oil wells, running down the main streets of oil field towns and the High River town, and blocking all highways in the area.

While the flood is expected to cause very considerable damage, it is not yet possible to estimate how long or how serious the virtual stoppage of Turner Valley development will be.

Mill City Pete.

While only a net profit of $4,516 was realized by Mill City Petroleums in 1941 ($147 in 1940), an additional profit of $20,073 realized from purchase and sale of royalties in the Miracle Royalties No. 1 and 2 wells was carried to surplus, increasing working capital substantially.

Balance sheet as at Dec. 31, 1941, shows current assets of $101,771 as against current liabilities of $1,887, leaving working capital of almost $100,000. At the end of the previous year working capital had amounted to $56,526.

Several propositions are stated to have been considered by the company's directors but the only commitment so far is purchase of an 8% royalty interest in Miracle No. 3 well.

Montana results are stated to be disappointing but improvement is hoped for this year, the company reports.

Mercury Oils

Greater part of revenue realized by Mercury Oils in 1941 came from rental of the company's drilling rig. The company's Turner Valley acreage is located on the gas cap and with the cutting down of gas allowables, reduced operating costs were necessary to show some improvement.

With $43,771 received from rental of the company's drilling rig, a net profit of $12,875 was realized in 1941 against a $1,469 loss the previous year. In addition a $26,829 profit was realized on sale of oil royalties.

If consideration of dividends is desired, it is suggested the drilling rig be retained and other assets be disposed of. Working capital at the end of 1941 was $82,415 against $90 a year previous.

Alberta Pacific Oils

A 72% increase in net profit is reported for Alberta Pacific Consolidated Oils in 1941. Earnings were $19,977 equal to .8 cents a share.

Increased sales in Montana at higher prices more than offset a decrease in income from investments and royalties. Oil production and power sales made up $44,049 of the year's total revenue of $86,308. Write-offs for depreciation and depletion before arriving at net profit totalled $15,952.

Alberta Pacific No. 1 well which was completed after some initial acidizing difficulties proved a small well but is considered likely to have a long life due to low gas/oil ratio and unlikelihood of any offsets being drilled.

Two wells are stated to have been drilled at nominal cost in the Montana Cut Bank field, one well already having returned its cost.

A lease is held in North Turner Valley

Noranda Mills At High Rate

Quarterly production figures on gold issued by the Quebec Department of Mines show Quebec's foremost base metal producer, Noranda Mines, to be producing at a substantially higher rate than prior to the war.

During the first quarter of 1942, 517,144 tons of ore were treated by Noranda or an average of 5,746 tons of ore a day. In 1939, the last year for which complete production figures have been issued by the company, a total of 1,926,902 tons of ore were treated, an average of 5,265 tons of ore a day.

In no year before the war did Noranda mill at as high a rate as was in effect the first quarter of this year.

Mining Concentrates

Coniaurum Mines realized an operating profit of $170,445 before write-offs in the quarter ended Mar. 31, 1942, compared with $182,476 in the corresponding period of the previous year. Production for the latest period was slightly higher at $450,293 from 44,130 tons of ore against $446,676 from 46,255 tons in the first quarter of 1941.

* * *

Fixed metal prices for copper, lead and zinc may have been fixed at too low a level says the Canadian correspondent of the Mining Journal, London. The possibility is seen that these low prices may keep from the Empire much in the way of increased production with little incentive offered to step up the flow of non-ferrous metals. In the United States while non-ferrous metal prices are "ceilinged," prices are higher than in Canada, and special "bonus" prices are offered for increases in production. Canada so far has not followed the United States in bonusing greater production but has granted tax concessions to secure expansion of capacity.

* * *

International Mining Corp. showed a net asset value of $2,944,592 for its 489,973 common shares outstanding as at Mar. 31, 1942, equivalent to $6.01 a share after providing for all estimated taxes to Mar. 31, 1942, and after deducting reserve of $2,482,060 for investments and advances. The corporation's business is stated to be primarily the search for, development and financing of, new mineral properties and the corporation's funds not currently required for these purposes are placed from time to time principally in securities of mining, oil and related industries, states President H. W. Chadbourne.

* * *

Nor-Zinc Syndicate has been revealing interesting values in zinc, gold and silver on its property in Desmeloizes twp., close to Normetal. Trenching and stripping are being commenced with Paul McDermott returning to the property recently.

* * *

Preston East Dome Mines realized an operating profit of $346,287, before depreciation, taxes and other write-offs in the three months ended Mar. 31, 1942. This was secured from output of $703,852 in milling 65,088 tons of ore.

* * *

Quebec gold production figures for the first quarter indicate a continued upward trend for output of the yellow metal in that province. During the first quarter $11,206,965 was turned out. Noranda was the province's largest producer, turning out 70,877 oz. of gold worth $2,728,765. Next largest producer was Lamaque with an output of $1,319,280 from 109,831 tons of ore.

* * *

Quebec Department of Mines—recently changed from a Bureau of Mines—has released a number of maps on various Quebec mining areas including the Simon Lake Wetetnagami Lake (Abitibi) and Castagnier Lake (Abitibi) areas. The Quebec government has been taking new steps recently to encourage development of mining resources, particularly war metals.

* * *

St. Anthony Gold Mines suspended milling late last year as the average grade of ore available was marginal and it was not felt advisable to continue under existing conditions. Further investigations of the two groups of claims held in the Savant Lake area were made and no commercial ore was disclosed, the two were abandoned. The management has been investigating a number of base metal properties and if a property with profit possibilities can be secured on reasonable terms, it is planned to bring such a project before shareholders. Balance sheet as at Dec. 31, 1941, shows current assets of $36,842 against current liabilities of $64,594.

* * *

Sudbury Contact Mines balance sheet as at Dec. 31, 1941, shows a holding of 1,165,291 shares of Lapa Cadillac Gold Mines with a market value of $93,200 and other shares with a market value of $5,400. Cash in bank was $1,695 against current liabilities of $447. Loss for year was $1,608. Assessment work was completed on the company's properties which comprise 35 claims, Fairbank twp., Sudbury area, 18 claims owned and 6 claims controlled, Bousquet twp., 12 other claims Bousquet twp., and a majority interest in 6 claims Cadillac twp., adjoining Lapa Cadillac. Further drilling is felt warranted for the Bousquet holdings. A substantial interest is held in Norgold Mines, operating a natural fertilizer deposit.

* * *

Upper Canada Mines has declared a dividend of 2½ cents a share payable May 30, 1942, to shareholders of record May 16.

* * *

Towagamac Exploration Co. has two new directors in Onesime Gagnon and J. C. Norton, Quebec. They replace the late Maurice Dupre and Walter H. Woods, who is on active service.

Gunnar Finances Remain Strong

Although a definite limit is seen to profitable milling operations at Gunnar Gold Mines, the company has subsantial liquid assets remaining, President Gilbert LaBine stated at the annual meeting.

At the end of March, working capital amounted to approximately $570,000 or 20.8 cents a share as compared with $502,178 or 18.5 cents a share at the end of 1941. Present plans call for this liquid position to be conserved and used to develop another mine.

Two properties are at present being investigated. The management considers the Ogama property a healthy prospect and some ore from this property is included in April production of $57,842 from 3,249 tons of ore. Money advanced to develop Ogama is secured by debentures carrying interest at 6% and repayable to Gunnar out of production.

At the Moose property, a shaft is down 125 ft. A strong quartz vein occurs in shaft to a depth of 55 ft. and averages an ounce of gold per ton across an average width of 5.5 ft. Known length is 185 ft.

At the Gunnar mine proper, salvage operations keep disclosing a little more ore as work proceeds, it is stated, and the mill continues in operation.

Investment portfolio includes $175,000 of government bonds with the balance in dividend-paying mining stocks including Consolidated Smelters, International Nickel, East Malartic, Kerr-Addison, San Antonio, Teck-Hughes, etc.

Oil Royalties

Producing Wells — Prices and Payments

	May daily allow. bbls.	Apr. daily allow. bbls.	Jan. roy. pay. 1% $	Feb. roy. pay. 1% $	Mar. roy. pay. 1% $	Paid to Mar. 31 1% $	Dealers offering price† 1%
Ace No. 1 gross	522	553	303.71	269.38	264.90	2,194.33	$7,200
Alta. Oil Inc. No. 1 gr.	114	122	78.80	61.60	65.60	3,829.60	2,300
Do., 1 net	114	122	60.00	50.80	56.00	3,185.20	1,200
Do., No. 2 gr.	565	565	240.80	214.80	251.20	4,342.80	7,800
Do., No. 2 net	565	565	225.00	196.00	229.20	4,436.60	6,300
Allied No. 1 pfd.	100	100	37.21	36.71	50.17	442.26	1,600
Arrow No. 1 net	118	191	88.40	81.20	85.20	1,138.40	2,100
Do., No. 2 net	207	209	82.40	76.80	86.00	1,061.80	2,500
Atlas No. 1 net pfd.	130	135	....	....	....	......	1,000
Atlas-Br. D. No. 2 pfd.	750	752	....	....	....	......	10,000
D. & D. net pfd.	85	85	36.40	29.60	41.20	1,599.80	1,500
Drill. & Prod. No. 3 p.	150	175	....	....	....	......	4,250
Gem No. 1 net pfd.	100	...	....	....	....	......	3,800
Harris No. 2 gross	81	85	45.29	41.15	48.24	2,334.42	2,500
Do., No. 2 pfd. net	81	85	34.16	32.20	39.03	2,041.33	1,500
Independent No. 1 p.	250	250	131.93	114.30	152.64	1,169.23	3,900
Do., No. 1 gr.	250	250	98.34	85.29	109.66	1,358.30	3,900
Major Oil No. 1 pfd.	153	160	54.00	82.80	92.00	228.80	2,300
Do., No. 1 gr.	153	160	98.40	76.00	79.20	1,111.60	2,500
Do., No. 2 pfd.	744	759	525.60	483.20	485.20	2,194.80	8,000
Do., No. 2 gr.	744	759	394.40	358.80	367.60	2,598.00	10,400
Do., No. 2 dfd.	744	759	....	....	....	......	5,900
Do., No. 3 pfd.	872	936	691.20	648.80	638.40	2,578.40	9,700
Do., No. 3 gr.	872	936	504.00	464.00	456.00	2,524.40	....
Do., No. 3 dfd.	872	936	....	....	....	......	....
Do., No. 4 pfd.	536	585	....	....	185.60	185.60	6,800
Do., No. 4 gr.	536	585	26.80	483.60	341.20	851.60	6,800
Miracle No. 1 pfd. net	704	759	523.50	486.86	500.13	3,020.85	8,100
Do., No. 1 dfd.	704	759	....	....	....	......	6,800
Do., No. 1 gr.	704	759	375.05	336.43	347.22	4,187.66	10,300
Do., No. 2 pfd.	516	575	....	....	....	......	6,000
Royalite-Model 1 gr.	197	201	....	....	....	......	4,600
Sunset No. 1 gr.	103	105	52.29	47.15	52.23	6,711.05	1,900
Do., No. 2 gr.	85	85	40.36	36.64	43.15	3,835.01	1,900
Twin Valley No. 1 gr.	176	181	84.15	74.86	82.35	1,728.16	4,300
United Assets (deb.)	175	175	....	....	....	......	100
Vulcan Brown gr.	143	141	80.80	110.50	85.70	7,887.05	4,300
Do., net	143	141	45.52	63.00	52.16	5,110.48	3,100
Winalta No. 1 pfd.	105	106	62.80	53.20	72.80	3,130.70	1,800
York No. 1 gr.	92	94	50.64	47.43	46.69	4,600.17	2,250
Do., No. 2 gross	80	85	36.00	33.60	43.55	1,601.15	2,250

†Usually approximately 20% over dealer's bid prices.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Adanac pfd.	3,132	*$4,375	Major Oil No. 9 pfd.	7,751	$4,800
Admiral No. 1 pfd.	4,385	*4,375	Major Oil No. 9 gr.	7,751	5,700
Admiral No. 1 gross	4,385	5,000	Major Oil No. 10 pfd.	6,818	*4,375
Atlas Br. Dominion No. 3	2,174	*4,375	Major Oil No. 10 gr.	6,818	4,500
Bonaventure pfd.	5,531	*4,375	Major Oil No. 12 pfd.	7,016	*4,375
Candn. Deposit. No. 1 pfd.	2,551	*4,375	Major Oil No. 12 gr.	7,016	5,700
Candn. Deposit, No. 1 gr.	2,551	5,000	Miracle No. 3 pfd.	2,997	5,800
Ensign No. 1 pfd.	Cellar	*4,375	Northclonmell No. 1 pfd.	2,391	*4,375
Hastings No. 1 pfd.	6,234	*4,250	Northclonmell No. 1 gr.	2,391	6,500
Lion-Davies No. 1 pfd.	2,814	*4,200	Northcross No. 1 pfd.	2,455	*4,375
Major Oil No. 5 pfd.	5,514	*4,375	Northcross No. 1 gr.	2,455	4,800
Major Oil No. 5 gr.	5,514	5,000	Northend Pete. No. 1 pfd.	7,400	5,600
Major Oil No. 6 pfd.	5,630	7,300	Northend Pete. No. 1 gr.	7,400	6,000
Major Oil No. 6 gr.	5,630	7,900	Northend Pete. No. 2 pfd.	4,296	4,700
Major Oil No. 7 pfd.	7,021	7,600	Northend Pete. No. 2 gr.	4,296	5,600
Major Oil No. 7 gr.	7,021	8,400	Northend Pete. No. 3 pfd.	6,189	5,100
Major Oil No. 8 pfd.	7,001	7,300	Northend Pete. No. [illegible]	[illegible]	6,300
Major Oil No. 8 [illegible]	7,001	8,000			

*Pegged price.

Company Reports

Dominion Woollens

Productive facilities of Dominion Woollens & Worsteds Ltd. were fully employed during 1941, although volume of production was somewhat less owing to fluctuating demands from the government for war services, states John W. Hobbs, president, in the 1941 report.

Orders now booked ensure full operation of the company's plants well past the end of 1942. The large stocks of raw materials which were on hand at Dec. 31, 1940, have been maintained to provide for the present high level of production.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	747,839	901,321
Less: Exec. remun.	43,217	38,611
Directors' fees	12,418	12,560
Depreciation	196,500	242,591
Interest	60,297	62,460
Income & E. P. taxes	215,000	315,000
Loss on sale of secs.	1,062	......
Prov. for bad debts	......	301
Net profit	219,344	229,798
Less: Preferred divds.	38,106	38,106
Surplus for year	181,238	191,692
Add: Prev. surplus	114,419	69,677
Less: Prior taxes	1,459	3,801
Addit. deprec.	......	3,795
Earned surplus fwd.	294,197	114,419
Times Bond Interest Earned:		
Before deprec.	$11.48	$13.61
After deprec.	8.22	9.72
Earned per share:		
Preferred	$3.45	$3.62
Paid	0.60	0.60
Common	*0.96	*1.03
Paid	nil	nil

*After allowing for preferred participation.

Working Capital

	1941 $	1940 $
Current assets	2,299,478	2,140,805
Current liabilities	1,168,494	1,210,982
Working capital	1,130,984	929,823
Balance Sheet Changes		
Cash	15,640	44,516
Accounts receivable	760,688	482,561
Inventories	1,504,794	1,514,978
Bank loans	588,000	186,000
Funded debt	986,400	1,023,500
Fixed assets	3,659,793	3,569,083
Less: Depreciation	1,418,054	1,236,926

Canadian Canners

Production and sales of Canadian Canners Ltd. during the past year were the heaviest on record, states W. R. Drynan, in the annual report. Sales were mostly for domestic requirements, the only exception being three subsidiaries which are operating on war work almost exclusively. Export business, while above the previous year, was still below average. For the past three years, the company has budgeted for capacity packs. All factories are being used.

The company's per unit (can) profit in the past year—exclusive of profits of six subsidiaries not engaged in canning—is slightly over one-half cent. For the current year arrangements are being made to operate to capacity, and assurance has been given of the necessary containers for essential foods. Given favorable weather and sufficient factory help, production should not be very far short of that of last year.

Mr. Drynan adds that inventories are much heavier than last year. Manufactured goods are fairly well sold. Supplies, etc., will be required for this year's production. Increase in property account of $267,650 is due to expansion and installation of labor saving machinery, etc., required for the production increase. Accounts payable are heavier due to purchases of supplies made well in advance of the packing season. The 3% serial bonds were paid off on May 1 of this year.

Income and Surplus Account
Years Ended Feb. 28

	1942 $	1941 $
Operating profit	1,226,410	1,119,585
Less: Interest	103,100	108,500
Net profit	1,123,310	1,011,085
Less: Pref. dividends	229,050	229,050
Conv. pref. divds.	290,752	290,983
Common dividends	68,892	68,890
Surplus for year	534,616	422,162
Add: Prev. surplus	800,500	648,674
Less: Tsf. to reserve	250,000	......
Pref. redemption	170,000	170,000
Tax adj.	......	100,336
Earned surp. fwd.	915,116	800,500
Earned per share:		
1st pref.	$5.88	$5.30
Paid	1.20	1.20
Conv. preferred	2.59	2.25
Paid	0.80	0.80
Common*	3.86	3.04
Paid	0.50	0.50

*After allowing for full participation rights.

Working Capital

	$	$
Current assets	9,900,085	7,582,082
Current liabilities	3,348,933	1,503,841
Working capital	6,551,152	6,078,241
Balance Sheet Changes		
Cash	849,005	1,358,685
Investments	500,000	148,125
Accounts receivable	2,383,804	1,615,708
Inventories	6,145,172	4,437,835
Funded debt	2,600,000	2,780,000
Fixed assets	14,128,712	13,861,062
Less: Depreciation	7,902,956	7,462,386

Anglo-Nor. Holdings

Anglo-Norwegian Holdings report for 1941 reveals another year without income. The report of the board says the factory ship usually operated by [illegible] Whaling Co. was employed in another capacity. The amount due for services rendered is still to be settled and "it is expected a reasonable profit will result."

The factory ship "Polar Chief" belonging to the Falkland Whaling Co. has been taken over by the British government and the purchase price will be subject to arbitration proceedings.

No further news is available regarding the position of Townsbergs, Hvalfangeri A/S and it has not yet been possible to complete the accounts of any of their subsidiary or associated companies for the financial years ending in 1940 or later.

It is further reported all vessels belonging to the companies in question are fully employed. The amount of remuneration in each case is still under consideration with the authorities concerned.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Total earnings	......	*8,718
Less: Gen. expenses	4,805	4,669
Directors' fees	7,500	......
Taxes	575	575
Interest	101	......
Net loss	12,981	13,962
Add: Prev. surplus	428,537	442,499
Less: Pfd. divds.	40,303	......
Earned surplus fwd.	375,253	428,537

*Loss.

Working Capital

	$	$
Current assets	73,924	125,722
Current liabilities	266,519	265,381
Deficit	192,595	139,659
Balance Sheet Changes		
Cash	22,101	71,900
Investments	[illegible]	[illegible]
Accounts receivable	[illegible]	[illegible]

How Gold Mines Can Offset Output Reductions

Varying Ore Grade, Suspending Exploration, Two of Possibilities

By GORDON M. GRANT

Supply and labor shortages have superseded rising costs as the No. 1 war problem of Canada's gold mining industry. When production at a number of large mines begins to turn lower and a cut in milling rate of 200 tons is placed in effect by a large well-established producer like Dome Mines, it can be taken for granted that the era of shortages is really with us, that the shortage of labor if not of supplies has become fairly general.

How shortages will affect gold mining can be stated in a general way. They will mean smaller profits. But the decline in profits will not necessarily be as great as any decline in production. And the decline in value of output may not be as great proportionately as the decline in tonnage of ore milled. In short, it is possible that tonnage treated may be reduced considerably without seriously affecting profits. Reduction can be caused by a general shortage of supplies and labor reaching the acute stage or by a possible reduction in tonnage milled at the request of the Dominion government—a possibility. With "normal" forces already bringing with them a sharp reduction in output, outside pressure to bring a cut in gold production is not likely to be so insistent.

Curtailment Method Important

In the event a reduction in output should be forced on gold mines "from above," the manner of ordering our gold output curtailed would be of prime importance. It would likely be based on tonnage as supplies and labor are the things it would be designed to save. Reduced tonnages do not necessarily mean reduced profits; things can be done to offset a lower milling rate—if the lower milling rate does eventuate.

There are a number of factors governing results at the individual mine in an era of supply and labor shortages. These two shortages may determine the fact that a curtailment of production will take place, but the ingenuity of the management will determine how far output will be lowered and profits affected. Every mine is different and probably no two mines will be affected alike by the need for reducing the scale of operations.

These are Key Factors

Key factors in considering how the individual mine will be affected by a possible reduction of production are these:

1. The margin of profit at present being realized.
2. Relation of ore grade treated to ore grade in reserve (and ability to vary ore grade to the mill).
3. The size of the ore reserve in terms of years of milling requirements—and the ability to reduce costs by curtailing development.
4. Degree to which operations have been mechanized with reduced use of labor per ton milled.
5. The possibility of turning out strategic war metal by-products so that capacity operation might be considered essential.

The margin of profit being realized is perhaps the most important factor at the majority of gold mines. If an increase of 10% in costs means elimination of the entire net profit at a mine, it won't matter if it is a $30 or $3 grade of ore being treated.

How Depreciation Comes In

Subsidiary factors will play an important part in determining the final net profit on any future reduced tonnage basis. Depreciation is usually charged as a percentage of the value of buildings and would not be reduced with a cut in tonnage milled. But pre-production expense is often written off on the basis of tonnage milled and would vary directly with tons treated. Taxes are based on net, after all other charges, and after allowance of a third for depletion on operating profits, and would likely show a reduction at least porportionate with reduction in tonnage milled, other things being equal.

Over the whole situation, however, decisions of the individual mine management would determine to a large extent what future profits would be. If it should be decided to sit back and save the high grade ore until after the war and a possible time of low costs and taxes, current profits could be drastically reduced. If it should be decided to treat a better than average grade ore, profits might be stabilized at not far from the present level in spite of a fairly sharp reduction forced in tonnage treated.

Shut Down Marginal Mines

Some gold mining executives feel that if a reduction in tonnage is faced by the gold mining industry, it would be the best policy to shut down marginal producers until after the war, with other gold producers possibly compensating them for this shut down. By shutting down marginal producers a substantial saving in supplies and labor would be possible, it is claimed, and dislocation of the mining industry and finance generally by a reduction in gold mining profits would be held to a minimum.

This school of thought sees a considerable number of producers as just "trading dollars." They are turning out considerable quantities of gold to provide foreign exchange, it is true, but operating profits realized are small if any. Among mines listed in this category are Omega Gold Mines, Uchi Gold Mines, Consolidated Smelter's Box mine, Cournor, Bankfield, Bidgood Kirkland, Gunnar Gold, De Santis Porcupine, McWatters and Sand River.

Ore reserves—proven and potential—are the life blood of all gold mining enterprises. Many of Canada's gold mines, as shown above, possess large reserves. If the rigors of war become more severe, these mines may be able to "cut costs" by curtailing development for duration.

A few gold mines have consistently milled a grade of ore lower than the average grade of ore in reserve. They are in the fortunate position of being able to raise grade to offset a lower milling rate should this be desired.

There are a larger number of mines treating a grade of ore higher than the average grade of ore in reserve. Many of these mines stepped up grade some time ago, at the request of the Minister of Finance, to increase Canada's supply of foreign exchange. Most of these not only cannot raise the average grade of ore they are treating further but may face the necessity of lowering grade, even if the present tonnage can be continued. Of course, a lower milling rate would allow (1) more selection in mining practice and (2) drawing a large proportion of ore from higher grade stopes.

Mines at which grade of reserves exceeds grade milled are limited in number. Hollinger Consolidated, McIntyre Porcupine and Broulan Porcupine—three Porcupine mines—are perhaps the best examples. All gold mines do not release figures on ore reserves and the average grade of ore in reserve so the exact situation at a number of mines is not known.

From the standpoint of proved ore reserves—and the possibility of curtailing exploratory development—the situation is perhaps brighter. In an accompanying chart are shown gold mines which are "long on ore." Many of these mines might be able to continue milling until the end of the war without placing an additional ton of mill feed in sight by exploration.

Even the ore reserve figures, however, can be misleading. The situation at Kerr-Addison, for instance, is better than the figures indicate; drilling indicates a tremendous additional tonnage of ore. Hollinger's reserves on a dollar rather than a tonnage basis would be sufficient for considerably longer than the number of years mentioned. Bralorne, which has found ore on its deep 20th level, finds that mining always gives a tonnage higher than estimates of proved tonnage. Others have their own peculiarities. A mine with a great number of years' ore in reserve cannot be regarded as being in a satisfactory position if the margin of profit is small.

Should Government Help?

Mines which can suspend exploration undoubtedly have an extra margin of operating revenue with which to meet difficulties. The stage to which ore reserves have been prepared for mining—when ore reserves are large—will help determine the extent to which costs can be reduced for a time. In practice, a mine which suspends its normal development will be forced to carry out a larger than normal quantity of development at a later date. It might be feasible to set up a reserve for future development—and the Dominion government might consider such a reserve in assessing taxation.

Mechanization of mines in the years before the war was extensive and productivity of workers was increased accordingly. This mechanization is paying dividends now. Labor requirements at most of the big mines have been substantially reduced with mechanical muckers, powered locomotives, etc. Fortunately, most if not all mechanical equipment can be repaired on the spot with mine machine shop facilities on hand. Mines are not particularly worried about that although procurement of new equipment is a most difficult task now.

Output Lower But—

That Canadian gold production will continue to decline in 1942 appears likely. No new producers can be brought in under present conditions and a few of the present producers appear to be tottering. Production figures for Canadian lode gold mines show a decline of 8.2% in gold production the first two months of 1942 compared with the average of 1941. This decline results primarily from cessation of production at a number of properties and a decline in output in Kirkland Lake but the downward trend is unmistakeable.

The decline of the future will be more general. Perhaps a score of mines could be named now that would like extra men if they could get them. These shortages are bound to be significant. But gold mines can do many things to offset difficulties that may become intensified in the future.

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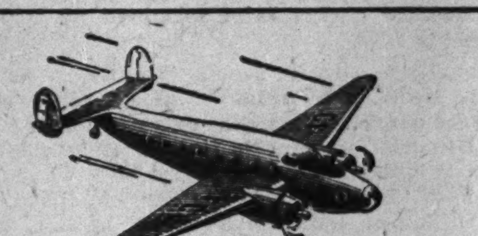

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Kirkland Lake Gold Mining Co. production the first quarter of 1942 was over $200,000 lower at $277,476, tonnage falling to 19,541 tons from 37,490 tons the corresponding period of 1941. Average recovery, however, was higher at $14.20 as against $12.97 the first quarter of 1941. With the Kirkland Lake strike a thing of the past, it appears production will show a sharp upturn in the current quarter.

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Company Reports

Anglo-Canadian Oil

While operating income was higher, a drop in miscellaneous income meant lower earnings for Anglo-Canadian Oil Co. in the year ended Jan. 31, 1942. Profit of $286,979 was equal to 12.8 cents a share compared with 15.9 cents the previous fiscal period.

During the year, the company took over its wholly-owned subsidiary, Drilling Contractors Ltd., and nine companies in which an interest was held were merged into Amalgamated Oils Ltd.

Although interim dividends were paid in 1941, directors are of the opinion that owing to the heavy demands placed on the company at present, interests of shareholders will be best served by deferring future payments.

Part of the company's holdings in the Steveville area have been abandoned. Testing has been carried on in association with others in the Vermilion area and further work may be done. A reservation of 20,000 acres has been taken in the Walton Creek area and drilling of a test well to depth in association with other interests is planned.

In view of the difficulty of obtaining necessary supplies and materials for drilling, it has become necessary to carry unusually large stocks requiring putting of considerable sums of money in these.

Cons. Income and Surplus Account
Years Ended Jan. 31

	1942	1941
	$	$
Gross operat. income	903,938	876,609
Add: Other income	11,079	45,988
Distribut. on shs.	114,894	129,767
Total income	1,029,911	1,052,364
Less: Depreciation	216,614	187,234
Depletion	68,372	86,586
Amortization	269,321	252,585
Bond interest	......	11,539
Advances w/o	20,000	1,228
Amort. bd. disc.	......	20,018
Inc. taxes	151,000	136,000
Subsidiary loss	17,625	......
Net profit	286,979	357,174
Less: Dividends	135,000	......
Surplus for year	151,979	357,174
Add: Prev. surplus	653,984	531,952
Advances prev. w/o	18,100	......
Less: Lease amort.	8,740	54,128
Development w/os	133,157	155,014
Deferred rev. tsf.	......	26,000
Surplus forward	682,165	653,984
Earnings per Share and Dividend Record:		
Earned	$0.128	$0.1587
Paid	0.06	nil
No. of Shs. Outstand.	2,250,000	2,250,000
Working Capital		
	$	$
Current assets	930,770	726,123
Current liabilities	345,305	327,626
Working capital	585,465	398,497

Sudbury Basin

With dividend and other income up over 50% at $363,788, Sudbury Basin Mines reports a higher net profit for 1941 after doubling its allowance for investment reserve. Earnings for the year were equal to 11 cents a share compared with 8 cents the preceding year.

With less than half the year's earnings distributed in dividends, working capital was increased over $100,000 to $298,129.

Practically no changes took place in the company's main shareholdings in 1941. The company retains 1,188,810 shares of Falconbridge Nickel Mines, 280,787 shares of La Luz Mines, 882,882 shares of Canadian Malartic and 254,690 shares of Sherritt Gordon Mines. A participation is retained in Frobisher Exploration Co. which is developing war metal deposits and a participation is also held in Dominion Magnesium. Sudbury Basin and Ventures last year completed purchase of the Errington mine and these claims can now be consolidated with those of Sudbury Basin for development of a base metal producer when considered desirable.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Income from invests.	363,788	223,147
Sundry int. & exch.	5,802	6,411
Prof. on securities	*3,361	14.062
Mining profits	1,361	......
Total income	367,590	243,620
Less: Admin. & gen. exps.	11,308	11,621
Securities w/o	45,871	19,760
Trans. to invest. res.	100,000	50,000
Explor. expense	8,067	9,826
Advances w/o	5,280	3,734
Prov. for taxes	4,500	8,000
Net profit	192,564	140,679
Less: Dividends	84,481	42,240
Surplus for year	108.083	98,439
Add: Prev. surplus	756,208	657,769
Surplus forward	864,291	756,208
*Loss.		
Earnings per Share and Dividend Record:		
Earned	$0.11	$0.08
Paid	0.05	0.02½
No. of Shs. Outstand.	1,689,505	1,689,505
Working Capital		
	$	$
Current assets	309,879	213,555
Current liabilities	11,750	16,426
Working capital	298,129	197,129

Federated Pete.

While net profit of only $19,167 or 1 cent a share in 1941 was shown by Federated Petroleum, the company's consolidated operating profit before depletion, recovery of drilling costs, depreciation and income tax was approximately $165,000 President R. A. Brown points out.

After paying 2 cents a share in dividends, the working position of the company showed an improvement with net cash assets totalling $211,520 at Dec. 31, 1941, compared with $103,721 a year previous.

Chinook Oils, in which Federated Petroleums is interested, drilled the B.A.—Brown No. 1 and B. A.—Brown No. 2 wells in central Turner Valley in conjunction with B. A. Oil but it was not considered desirable to proceed with further central field drilling due to bringing in of big wells in the north end.

A lease on a half section six miles north of present production was sold for $80,000 part of which has been paid with balance due by June 15, 1942. The right was retained to participate in drilling on three legal sub-divisions if desired.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Royalty income	6	22,232
Dividends	80	......
Subsidiary profits	23,994	35,497
Production profit	2,638	1,883
Net income	26,718	59,612
Less: Expenses	7,551	11,614
Depl. on royalty	......	3,490
Development w/o	......	8,271
Net profit	19,167	36,237
Less: Dividends	29,539	36,924
Deficit for year	10,372	687
Prev. surplus	28,936	29,623
Surplus forward	18,564	28,936
Earnings Per Share and Dividend Record:		
Earned	$0.01	$0.024
Paid	0.02	0.025
Working capital	211,520	103,721

B. C. Prospectors Urge Cut In Assessment Work Dues

From Our Own Correspondent

VANCOUVER. — Prospectors in British Columbia are urging the provincial government to relieve them of the necessity of doing $100 worth of assessment work on gold properties this season. The alternative, under a recent amendment to the Mineral Act, is forfeiture of the claim.

The prospectors point out that under present conditions it is very difficult for them to obtain the necessary labor and equipment for carrying out the required development, and that such activity would be of little immediate value in view of the impossibility of bringing new gold mines into production in wartime.

"The country wants base metals and strategic minerals rather than gold and we are prepared to look for them," a spokesman for the prospectors told The Financial Post. "But if we do that, we cannot be expected to look after our gold claims too. Most of us haven't enough money to spend it on 'dead' work this year; we want to see our dollars produce something worth while."

Technical Question

So far, it is felt the prospectors have made little impression on the provincial government. The government takes the position that the assessment requirements are the law and that any change in policy is the responsibility of the legislature.

Government officials point out that there might be difficulty in distinguishing a gold property from another type of claim, inasmuch as the ore might run $3 or $4 gold to the ton and 10% zinc. Would such be regarded as a gold or base metal prospect? And how could assessment work be placed under a moratorium and undeveloped crown granted gold claims be made to pay taxes?

Organizations such as the British Columbia Chamber of Mines, however, are not accepting the officials' explanation as final. They contend that the government must deal with the situation more realistically.

"What the country needs is more base metals and war materials such as tungsten, mercury, tin, manganese and chromium," declares A. E. Jukes, president of the Chamber. "There have been enough discouragements for prospectors in the past without adding to them now. The government should make it its business this spring to remove every possible obstacle from bona fide development of properties likely to produce the metals needed."

Various mining bodies throughout the province are also urging the Dominion government to grant three-year exemption from taxes to new base metal mines or old mines now being brought into production again.

Eldorado Mine To Reopen

Preparations are now going forward for re-opening the Great Bear Lake mine of Eldorado Gold Mines this summer, shareholders were informed by President Gilbert A. LaBine at the company's annual meeting.

The tonnage to be milled will be about the same as prevailed prior to the closing down of the property in June, 1940, it is stated. Concentrates now on hand are reported to be adequate for operation of the Port Hope refinery until the flow of new concentrates commences.

Sales last year were made entirely out of inventories and it is expected the same situation will hold true for both 1942 and 1943. This will result, Mr. LaBine stated, in a further reduction in liabilities and should eventually arrive at the position where there is a cash surplus over liabilities.

It is the intention of the board of directors to build up working capital to the point where commencement of dividends can be considered. The company is at present occupied almost entirely on products for defense.

Refinery Manager M. L. Pochon informed the meeting that operations at the refinery were on the largest scale since the inception of the company. The backlog of orders on hand is substantially the same as at this time last year, Carl B. French, secretary-treasurer, informed the meeting.

Sight Unseen

Until the time comes to file a claim, an insurance policy may appear somewhat in the light of an intangible. Your eye does not see the **coverage** you buy. It sees only a contract, which is the company's **promise to pay**.

It is essential, therefore, that you should have a full realization of your company's basic character no less than the tangibility of its financial strength; your confidence should be based on its reputation for living up to the **spirit** as well as to the letter of its contracts. Nothing less than this complete assurance can give the peace-of-mind insurance owes you.

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How Can I Meet the New Double Death Duties?

For many years succession duties have been levied by the Canadian provinces on all sizeable estates. When the Dominion Government recently entered the field, the burden of death duties was greatly increased. Failure to plan how the new conditions are to be met will likely involve serious trouble for heirs and businesses involved and cause estate charges to exceed legal requirements.

The Financial Post herewith presents the sixth of a series of articles discussing the various problems that may arise and the best ways of meeting them. The writer, W. E. N. Bell, is a graduate of Osgoode Hall Law School and is associated with the Manufacturers Life Insurance Co. Since 1937, he has specialized in tax matters and problems affecting estates. Mr. Bell is a graduate of the University of Toronto; was a member of the Varsity rugby team, and captained the Canadian cricket team sponsored by Hon. R. C. Matthews that visited England in 1936.

By W. E. N. BELL

Most of the provincial succession duty acts and the Dominion act provide that assets are to be valued on the date of the deceased's death. In Ontario, in the case of listed securities, or securities on which a market quotation is obtainable, the closing price or quotation on the date of death is taken as the value for succession duty purposes. If the deceased died on a day on which no price or quotation is obtainable, the closing price on the next preceding day on which a price or quotation is obtainable, is the value used.

In the case of unlisted securities, and securities on which a quotation is not obtainable, a value is determined as of the date of death after consideration has been given to company balance sheets, operating statements, profit and loss accounts and other pertinent information relative to company operations.

Pricing Problems

It is readily understandable that differences of opinion may arise between the succession duty departments and the executors of the deceased on the question of the value to be placed on those assets on which no definite market exists. Thus values on real estate, shares in privately owned companies, jewellery, antiques and assets of a similar nature can only be ascertained after their worth has been appraised by expert valuators. If appraisals by the estate executors and the department valuators differ, provision is made in some of the Acts for appeal from the department's decision.

Valuation at date of death can work unnecessarily severe hardships. It is not suggested that an alternative method of valuation would do away with these hardships entirely but they could be minimized. Now that succession duty taxes have been increased so substantially by the entry of the Dominion government into this taxing field, it is more important than ever that the value upon which succession duties are levied should have some close relationship to realizable value.

Inflating the Tax Rate

An estate which is taxed at 30% of its value, as ascertained at date of death, will be actually taxed at 40% if its realizable value is only 75% of the value at date of death. Consider a more specific example: A person, formerly a mining prospector, more recently spending his time in the development and promotion of mining properties, had an estate at the time of his death made up as follows:

Bonds		$ 8,000
Cash		2,000
Life Insurance		40,000
Mining Securities		360,000
Escrowed Stocks (value for tax purposes)		40,000
Mining Claims		20,000
Real Estate	$40,000	
Less Mtg.	20,000	
		20,000
Sundries, personal effects, furniture, etc.		10,000
Total		$500,000

His will provides that his wife is to receive the income from the estate for her lifetime and the capital is distributed to children on her death. The succession duties amount to $125,000 and other charges arising within a short period of death to $20,000. His executors, in order to obtain $100,000 in cash, start to sell certain of the mining securities. The markets on these are "thin" and they find they have to dispose of $200,000 of the securities, based on value at date of death, in order to realize the $100,000. The executor's pay $80,000 on account of succession duties, pay off the "clean up expenses" and within a year of death the estate remaining is made up as follows:

Bonds and Cash	$60,000	
Mining Stock ($160,000 remaining now valued at)	80,000	
Escrowed Stock ($40,000 now valued at)	20,000	
Real Estate ... $40,000		
Less mtg. ... 20,000		
	20,000	
Mining Claims ($20,000 now valued at)	10,000	
Furniture, etc	10,000	
		$200,000
Less outstanding succession duties		45,000
Net Estate		$155,000
Total succession duties and clean-up expenses		145,000
Value of estate one year from death plus succession duties and clean-up expenses		$300,000

Succession duties of $125,000 were levied against an estate of $500,000. Based on the above figures they were collected from an estate of $300,000. Instead of the estate being taxed at 25% it is actually taxed at 42%.

Executor's Problem

Consider the problem in a practical way too from the viewpoint of an executor actually administering an estate. The executor can see that a substantial amount of money must be raised and that securities must be sold. Before the executor may sell anything, however, he must make a complete inventory and valuation of the estate. The application for probate must be filed and a period of two or three weeks will pass before probate is issued. Then all the beneficiaries must file affidavits showing gifts made by the deceased during his lifetime.

Debts owing by the deceased must be ascertained and affidavit of debts filed. The department may not be in complete agreement with the executors as to the valuation of certain of the assets, and these valuations must be negotiated and a settlement reached. Finally the department, having been able to estimate the approximate duty, will require that the duty be secured by the executor depositing the estimated amount in cash. To enable the executors to obtain this cash the department will release only those assets required for this purpose. When the duty has been secured certain, but not all, of the balance of the assets will be released. The remaining assets are generally not released until the final settlement of succession duties has been prepared.

In theory these proceedings should not require more than six weeks or at most two or three months to complete. But in fact no matter how expeditious the executor may be, if the estate is of any size, he will probably not have obtained all succession duty releases and be in a position to deal with all the securities until several months have passed. Nevertheless the estate will pay succession duties on the basis which would be fair and logical only if the securities could have been turned into cash within a few days after the date of death.

Valuation Option

In the United States executors are permitted to elect between valuation at date of death and valuation one year after death. If the latter method of valuing is chosen and any asset is sold during such year the actual sale price is the value used. In this way taxable value and realizable value have a definite relationship. Valuation at date of death may enable succession duties to be collected expeditiously but this advantage hardly seems to justify the hardships inherent in such a method. If a method, similar to that in operation under United States federal estate tax legislation, were adopted, rates would probably have to be raised in order that revenue would not decline. Such an increase in rates which are actually levied against realizable value, however, seems much fairer than arbitrary valuation at date of death.

Keep Liquid

The example considered indicates the further and for the present more practical difficulty. If the deceased had been more careful to provide assets of a liquid nature with guaranteed values in his estate the forced liquidation of his securities would not have resulted. Assets which are excellent investments for a man while he is living and earning may prove the poorest possible type of investments for his estate after his death. When so large a portion of a taxable estate is taken in taxes this fact must be carefully considered when investments are made. The individual must remember that the important thing for his family is, not how much he leaves for them, but how much of what he leaves they actually receive.

It has been the object of this series of articles to assist those interested in obtaining a clearer understanding of succession duties. Certain of the problems facing a man's executors have been presented by considering hypothetical examples. It is of course impossible to suggest a solution, in such a series, to the particular problems of each individual but the importance of him finding this solution during his lifetime can be appreciated if he has thought about the situations outlined in the articles.

The background of this subject is, of course, much larger than succession duties. The problems arising on a man's death are not so much due to succession duties as they are due to his death. The transfer of property, from the person who created it to those who are to receive its benefits after his death, represents the real problem. Succession duties add to and make a solution more difficult but they are not themselves the problem.

It is difficult for an individual to visualize an ideal solution of this problem because the solution must exclude himself and must introduce numerous factors at present untried. In approaching therefore the question of estate planning, it is probably necessary that a person should not look for, nor expect to find, the certainties and the ideal arrangements which are possible while he is living. If, however, serious thought is given to the matter he will probably find a way, through the appointment of responsible trustees, of arranging for the care of his family and of projecting many of his ideas, thoughts and wishes on into the future. In the plan which he finally adopts, succession duties will have been one of the important factors considered.

London Calling
by Adelphi

LONDON.—With fine irony the sun shines bright on old London Town. As if to make their last salutation to it, motor cars have appeared in large numbers and the streets are almost crowded again. But it is their final appearance, or very nearly so. A few more drops of petrol and then all private motoring ceases. We shall discover our legs again and we shall certainly renew acquaintance with the omnibuses, the underground and the humble bicycle.

While the sun shines on London there are sinister shadows over France. At any time there is a stark sense of melodrama in the life of France as a nation. The memory of the revolution lingers over the faubourgs, the siege of Paris in 1871, has left its mark, the elegant extravagances of the Court of Versailles is a luminous contrast to the bourgeois democracy of modern times. But not even Victor Hugo or Balzac conceived anything so sinister and melodramatic as the story of Vichy.

—*Collins in the Montreal Gazette.*

Poor Petain! If fate had only been kind to him and sent him a bullet as the Germans gave up the siege of Verdun in the last war, his name would have rallied France through the generations. From the defender of Verdun to the auctioneer of French honor is a transition which is as cruel as it is inconceivable. For fifteen years Petain has been the honest man whose unblemished character has attracted the selfish interest of political opportunists. Laval, Flandin, Bonnet and Daladier each flirted with the idea of setting up a government with the honest Petain as the figure head. That did not happen until the collapse of France in 1940 when, tragically, he accepted supreme office and made terms with Germany instead of going to North Africa and fighting on.

* * *

Butcher on Horseback

Laval is such a picturesque rascal that his whole career calls out for a Hollywood treatment. The butcher's ugly son, sitting with his chin on his knees as the butcher's cart rattled on its rounds has gone a long way. No one has ever trusted him and it must be put to his credit that he has never posed as a man worthy of trust. To see him in the French Chamber with his dark oily face, his matted bandit's hair, his stringy white bow tie and his urchin's grin was almost to hear him say: "I'll trick and twist and turn. I'll look after myself first but when I've got what I want you'll see that France has benefitted as well." French honor meant nothing to him. Personal honor was, to him, just a lack of imagination. He was born poor, became a politician, and is now rich. What matter if much of the money came from Germany? Is not money a good thing no matter from whence it comes? The Left never trusted him, neither did the Right. "Ah well," remarked Laval with that ugly, fascinating smile, "my name is the same whether you spell it from right to left or left to right." Even the assassin's bullet of a few months ago did not kill him. It too, took a crooked course.

* * *

F. D. R's Harry

What a relief to turn from the contemplation of the men of Vichy to that of a man from Washington. Harry Hopkins is with us again, that American Hamlet with the humor of a Will Rogers and the slim languor of a grown-up Fred Astaire. He is an optimist about the future. "There'll be dark days for a while" he drawls, "plenty of them. Then the news will start to get better and better." His voice trails off. "It'll be better."

Harry Hopkins was telling a few of us about some of the divergent elements in America. "There was a fellow on the radio the other night," he said, "who seemed to sum it up pretty well. He said that there were some Americans who wanted America to win but Britain to lose. There were other Americans who wanted America to win and Russia to lose. Then there was a third section who wanted America to win and Roosevelt to lose."

He thinks Mr. Churchill ought to go to bed earlier. "He doesn't need sleep," says Harry Hopkins, "but some of the rest of us do. You see we haven't had time to break ourselves of the habit."

If Harry Hopkins were not such a capable businessman and statesman he might well have become a great American humorist. Jack Benny wouldn't have a chance against him on the radio.

* * *

The Conscription Vote

Events in Canada are studied closely over here. On the whole Canadian prestige has advanced very much in this war. It is realized that the Dominion's war effort has been skilful, generous and effective. Our airmen who have gone there to train always come back as enthusiastic Canadian ambassadors. Our little emigrées are a human contact that warms the British heart. But it would be wrong to infer that the vote of Quebec in the conscription plebiscite has not caused anxiety over here—not on account of the Canadian war effort but because of the difficult political problem which it presages for the future.

The problem of minorities has existed since the human family started up in business. In Europe they have not only been a problem but a curse. It would seem however that in Canada the French Canadians will become so powerful a minority that the cry of "justice for the majority" might yet eventuate as a political slogan. Mr. Mackenzie King who has proved a brilliant rider over the political jumps may still surmount this obstacle, but it is a big one.

At any rate the French-Canadian soldiers over here are making many friends. That may not be important but I enjoy recording it just the same.

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New Books . . .

Second Look at Japan

JAPAN—A WORLD PROBLEM. By H. J. Timperley. Longmans, Green & Co. Price $2.25.

VICTORY IN THE PACIFIC. By Alexander Kiralfy. Longmans, Green & Co. Price $3.50.

Although Mr. Timperley and Mr. Kiralfy have little in common other than their knowledge of affairs Asiatic, both writers have had the same driving, missionary motive—to correct the amazing lack of realistic thinking about Japan.

The job Mr. Kiralfy has set for himself is to clear away the many military misconceptions which have been fostered by Nipponese policy and our lack of interest.

In belittling Japanese military powers, the average Anglo-Saxon, points out Mr. Kiralfy, was more right than he now realizes. Japan's initial conquests were inevitable in the face of our disarmament policy in the Far East, could have been scored even if the United Nations had not been simultaneously engaged on other fronts. Singapore was never a Gibraltar of the East, if only because it did not stand at the single entrance to an eastern Mediterranean, but at one of many entrances.

So long as the Philippines and other Pacific islands were held only by corporal's guards, Allied strategy had to be based on the assumption that they would be lost, at least for a time, that the deficiency in land forces would have to be made up by sea power later on.

Although it was given this double job, Allied sea power would have great difficulty in making full use of its strength. The Japanese would not expose themselves to an orthodox sea battle since they lack the numerical superiority to meet such a test. Instead, they would rely on a whittling process to reach equality (Pearl Harbor), would use their speed and their thousands of island bases to avoid any more formal encounter. First reports of the Battle of the Coral Sea substantiate this view—not the main fleet, but a strong invasion force was caught by our ships and planes.

Early Japanese triumphs were inevitable. At the same time, the Japanese threat is not supported by the kind of fleet or army needed to make their gains permanent. The new Japanese empire is as flimsy as a paper house.

How flimsy the Jap conquests are will appear when the Allies take the offensive, and Mr. Kiralfy strongly supports an early offensive. The Allies should not wait for the development of crushing military superiority, waging a slow war of attrition in the meantime, but should concentrate on the known weaknesses of the Japanese structure.

Kiralfy suggests several of these vulnerable points. The Japanese spearheads are supported by long tenuous supply lines travelled by troopships intensively vulnerable to submarine or air attack. The spearheads themselves are vulnerable wedges that could be nipped off by pincer movements. But the most vulnerable target is Japan itself, and in Vladivostok the Allies have a spear that could inflict a mortal blow. Rather than whittle at the circumference of the Japanese orbit, the Allies should make full use of their power to attack the centre of Japan's strength. Kiralfy views this as definitely preferable to the long slow war on the circumference, much of which would result in further devastation of Allied lands, India, Australia, China and the sections already in Japanese hands.

Besides gaining the benefits of Alexander Kiralfy's strategic conclusions, the reader will absorb a vast fund of information on the basic principles of armed conflict. He will see in retrospect how his pacifist leanings played into the hands of Japanese militarists for a score of years, and how the remnants of pacifism continue to hamper realistic military thinking. Kiralfy makes no apologies for providing a textbook for the "armchair" strategist. We are paying a heavy price for our "armchair" pacifism, he believes, the propagating of a more realistic approach should at least help to keep the price to a minimum.

What Kiralfy attempts in the way of clarifying the immediate military position, H. J. Timperly strives to do in the larger field of assessing the true nature of the problem of Japan.

To a world that has become accustomed to regard the Japanese as the victims of a high birth rate and low economic resources, the Timperley psychological approach comes as a flat challenge. Over-population, he claims, is very little more than a national "sob-story" that the Japanese have successfully foisted on the democratic nations. Japan's rate of growth, even at its swiftest, has not been as great as that of Great Britain in the nineteenth century. The problem of feeding her millions outgrew Japan's means only when she began to turn from trading in light manufactured goods to producing the heavy materials of war.

The conclusion that militarism was the cause and not the result of overpopulation is backed up by a brief but well-documented account of Japan's militaristic history. The super race myth that has been built up in Germany by Nazi propagandists has been for centuries the guiding principle of Japanese national life. Regimentation of the most minute details of everyday life was typical of the Japanese feudal period. Emperor-worship has proved a tool for preserving a feudal body beneath modern industrial raiment.

Reverse side of the Japanese superman mentality is an oppressing, constantly denied sense of inherent inferiority. The vast strength of China, historically the cultural as well as physical superior of the land of the "barbarians of the outer isles," has stood as a monument to the frustrated puniness of the island empire. A nation obsessed with its godhood must have other nations to lord it over.

From a writer who so thoroughly dislikes everything the Japanese ego stands for, Timperley's recommendations for the peace are surprisingly mild. No apostle of unbridled vengeance, he holds that too harsh a peace, too ignoble a setlement would only result in forcing the Hitler's and Ludendorff's of Japan into a new campaign. Salvation of Japan, claims Timperley, must come from within the nation, through a strengthening of the forces of sanity which still exist.

How Belgium is Looted

GERMAN EXPLOITATION OF BELGIUM. By R. Ardenne. Published by Brookings Institution, Washington. Price 50 cents.

A well documented story of how the Nazi conquerors are looting Belgium. The author is a Belgian scholar now in the United States.